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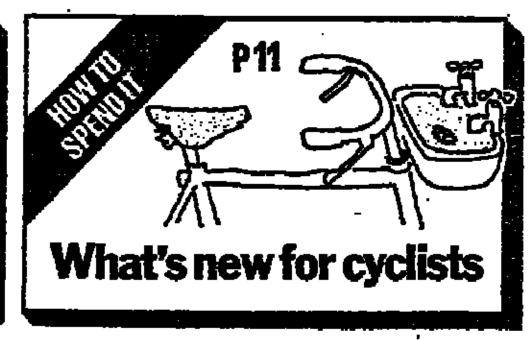
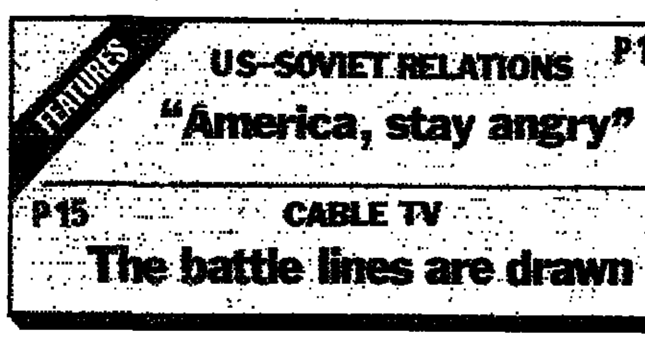
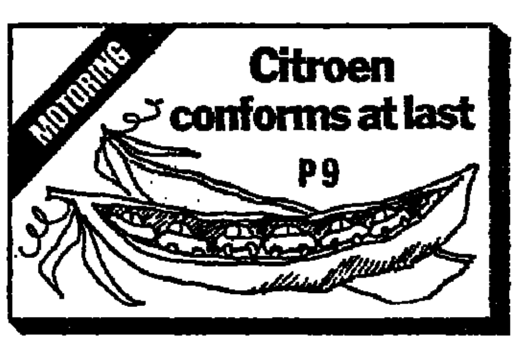






NEWS SUMMARY

GENERAL

Shamir wins qualified support

Israeli Foreign Minister Yitzhak Shamir said he hoped to be Prime Minister within days following the ballot in which he won support in principle to succeed Premier Menahem Begin.

However, several of the government coalition parties have put conditions on their endorsement of Mr Shamir, and agreement on the nomination could still be withdrawn. Back Page. Arafat calls for Mideast peace conference, Page 2.

Chad fighting

Heavy fighting, said to have involved French aircraft and Libyan tanks, was reported in northern Chad. Page 2

Mandela honour

African National Congress leader Nelson Mandela, jailed in South Africa, accepted nomination for the chancellorship of Natal University.

Ulster car blast

A massive car bomb exploded without warning in Co Armagh, Northern Ireland. Several people were treated for shock.

Oil blaze over

Firemen halted the blaze at Amoco's oil refinery near Milford Haven after pumping more than 200,000 gallons of foam onto a storage tank which caught fire three days ago.

Balmoral bomb

A live mortar bomb—at least 20 years old—was detonated on the edge of Balmoral Estate where the Royal family is in residence.

Sea rescue bid

An air-sea rescue operation was launched for two yachts in force 10 gales off the Cornish coast. Strong winds caused sea and road havoc in the south, in Wales and off the north-west Irish coast.

Senator dies

U.S. Senator Henry Jackson, twice a candidate for the Democratic presidential nomination, died after a heart attack. He was 71. Obituary, Page 2

Japan quake

An earthquake shook buildings and jolted wide areas of central and north-eastern Japan. No injuries were reported.

Cyclists' failure

Three West Germans lost their medals after failing a drugs test at the world cycling championships at Alterhein, Switzerland.

Safer births

Scientists have discovered a technique enabling diagnosis of birth defects and a baby's sex in the fist 10 weeks of pregnancy.

Briefly . . .

Forty-six died and 250 were injured when a Mandalay-bound train was derailed.

At least 41 drowned when a boat capsized in a canal in southern India.

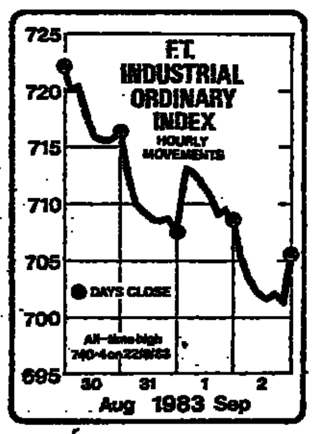
A 150 lb bronze lion was stolen from Washington Square Park, New York.

Convicted child-killer Jimmy Lee Gray died in Mississippi gas chamber.

BUSINESS

Equities drift; gilts steady

● EQUITIES continued to fall and the FT Industrial Ordinary



index lost 2.8 to 705.8, for a four-day loss of 16.3. Page 22

● GILTS held to overnight levels on cheap buying, with shorts generally harder on the day. Page 22

● STERLING lost 35 points to \$1.4955. It also fell to DM 4.0325 (DM 4.0425), FFr 12.115 (FFr 12.155), SwFr 3.275 (SwFr 3.28) and Y369.25 (Y370.0). Its trade-weighted index was 85.3 (85.5). Page 19

● GOLD rose \$1 in London to \$417¾. In New York the Comex September settlement was \$416.9. Page 19

● DOLLAR held at DM 2.695, rose to SwFr 2.188 (SwFr 2.187) and Y246.75 (Y246.5) but fell to FFr 8.1025 (FFr 8.11). Its trade-weighted index was 129.5 (129.4). Page 19

● WALL STREET was 9.25 up at 1216.06 just before the close. Page 18

● BRENGREEN, a private contractor for local authority cleansing, has made a bid now worth £31m for Sunlight Service laundry group, which in turn has made a £21m bid for Spring Grove, which sells work clothes. Back Page

● BOEING has beaten its fellow U.S. aircraft manufacturer McDonnell Douglas to a contract to supply British Airways with 14 short-term leased 737-200 airliners, worth over \$250m (£166m). BA, which already has 28 Boeing 737-200s is taking an option on a further 17. Back Page

● UNITED NEWSPAPERS group pre-tax profit for the first six months of 1983 rose 67 per cent from £2.58m to £4.32m, on turnover £6.1m ahead at £53.22m. Back Page

● BRANIFF the troubled U.S. airline plans to start flying again next year following approval of its reorganisation by a Federal bankruptcy court. Page 21

● PHARMACIA, Swedish pharmaceutical group, will issue 2.2m shares on the U.S. market to raise \$64m (£42.69m) with U.S. Securities Exchange Commission approval. Page 21

● AGA of Sweden, the industrial gas group turned pretax profits 25 per cent up at SKr 278m (£23.35m) on turnover 8 per cent higher.

● BROKEN HILL PROPRIETARY shares gained 40 cents to A\$12.15 (£7.04) on the Sydney stock exchange on speculation that the consortium it heads had made a significant oil discovery in the Timor Sea, west of Darwin.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Church	320	+ 20	Babcock Intnl	155	− 9
Hoover A	210	+ 50	Bellair Cosmetics	620	− 35
Kennedy Brookes	238	+ 23	Brengreen	101	− 8
Sunlight Service	215	+ 23	Carpets Intnl	59	− 4½
Tate and Lyle	360	+ 4	Dickie (James)	41	− 7
Waddington (J.)	256	+ 16	Elys (Wimbledon)	270	− 15
Wearwell	87	+ 5	Fobel Intnl	88	− 12
Atlantic Res	350	+ 30	Ladbroke Group	214	− 5
Eglinton Oil & Gas	220	+ 30	Lond Northern Grp	79	− 7
Weeks Australia	44	+ 9	Mellerware Intnl	96	− 7
Baraoora Tea	150	+ 10	Mettoy	8	− 9
Anglo Am Gold	£84¾	+ 1¼	Pilkington Bros	327	− 8
Gld Mns Kalgoorlie	740	+ 10	Utd Newspapers	246	− 24
North Kalgurli	82	+ 4	RTZ	650	− 7
Winkelhaak	£33¼	+ 1¼			

Moscow lying about fate of South Korean airliner says Reagan

PRESIDENT Ronald Reagan yesterday accused the Soviet Union of flagrantly lying about the fate of the South Korean airliner which the U.S. says was shot down by a Soviet fighter over the North Pacific on Wednesday, Reginald Dale, U.S. Editor, writes.

Mr Reagan issued one of his strongest ever statements *condemning Soviet behaviour* as he prepared to fly from California to Washington for urgent consultations with his *foreign policy* and *national* security advisers.

His accusations came as the Soviet Union responded to *international criticism* of the downing of the plane by admitting that it had fired "warning shots with tracer shells" along the part of an aircraft which had strayed 500 km (310 miles) into its air space.

The Soviet statement said the plane "flew without navigation lights, did not react to radio signals of the Soviet dispatcher services and itself made no attempts to establish communication contact."

The first announcement by Moscow since a *terse* comment on Thursday said the airliner had been involved in "special intelligence aims." It blamed the U.S. for the loss of life and described the flight as pre-planned.

The statement claimed that the plane had left Soviet air-space after the firing of the shots.

The United Nations Security Council was summoned to meet last night to consider charges that the Soviet Union had shot down the airliner.

The State Department said that Mr Reagan would consider a range of retaliatory meaures but that Mr George Shultz, the Secretary of State, *still planned to meet* Mr Andrei Gromyko, the Soviet Foreign Minister, in Madrid next week. The outrage expressed yesterday by Western countries means that this visit is likely to see a major confrontation between East and West.

Japan has closed the Tokyo-Anchorage air route used by the airliner. The major international pilots association is to meet in London on Tuesday to consider boycotting Soviet airspace.

U.S. officials said they were still ignorant of exactly why the Soviet Union shot down the airliner, as the U.S. claims. "It was certainly not the act of a *rogue fighter pilot*," said Mr Richard Burt, an assistant secretary of state.

U.S. intelligence officials said examination of the evidence suggested that Soviet fighters had tried to contact the airliner by visual and radio signals, as Moscow suggested yesterday.

It was thought unlikely that the aircraft's radio, computer and navigation lights had all failed at the same time, as has been suggested.

Admiral Stansfield Turner, a former director of the Central Intelligence Agency, suggested that the Soviet Union would have been particularly suspicious about an intrusion by an aircraft from South Korea.

John Moore writes: Insurance claims arising from the loss of the aircraft could rise to more than \$435m (£290m). Under an insurance policy with the Oriental Fire and Marine Insurance Company, an associate insurance company of the UK-based Royal Insurance group, Korean Airlines will receive \$35m in damages for the aircraft and up to \$400m for the deaths of 269 passengers and the loss of cargo. Compensation for the deaths of the 29 crew members could be up to \$40,000 each.

About 75 per cent of the value of the 11-year-old hull of the aircraft was reinsured *in London with UK insurance* groups and Lloyd's underwriters. London insurance companies and Lloyd's underwriters also reinsured a similar proportion of the passenger liability.

World reaction, Page 2
U.S.-Soviet relations, Page 14

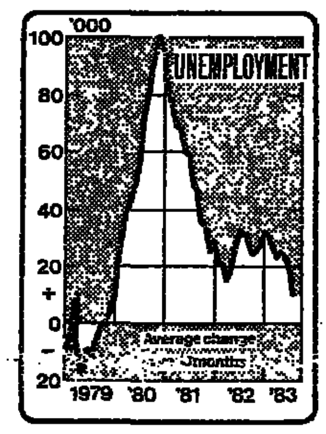
Tebbit cautious over fall in jobless figure

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE UNDERLYING level of UK unemployment fell in August for the first time since 1979, according to official figures out yesterday.

The August total of 2.942m excluding school leavers marks the first break in a rising trend established in the winter of 1979, when unemployment was less than half the present total.

Yesterday's figures from the Department of Employment also showed a markedly more encouraging trend in the number of vacancies notified to job centres.



However, ministers and officials were yesterday taking a cautious view of the significance of the improved figures, which still put total unemployment including school leavers at just over 3m. The August figure of 3.01m was, however, 11,000 fewer than in July.

The seasonally adjusted total fell by 16,000 between the two months, but after excluding changes of definition announced in the Budget, affecting men over 60, officials put the underlying fall at 7,000

Yesterday, Mr Norman Tebbit, the Employment Secretary said: "Welcome though today's figures are, they must be seen in perspective. The fall in the seasonally adjusted figure is the first for approaching four years, but it is not possible to say on the basis of one month's figures that this signals a sharp change in the long-term trend.

Mr Tebbit's cautious tone may have been coloured by the two most recent independent forecasts—from the National Institute of Economic and Social Research and from the Confederation of British Industry. Both predict that economic growth will slow next year and that unemployment will continue to rise to an adult total of 3.2m by the end of 1984.

It is generally agreed among economists that national output will need to grow at an annual rate of between 2 and 2½ per cent before the unemployment total can be significantly dented.

However, even the Treasury is predicting growth of only 2½ per cent or less for this year, and some forecasters are more pessimistic.

In spite of the fall in August, the trend in the latest three months (June, July, August) is still upwards, with an average monthly rise of just less than 10,000. This compares with a fairly steady rise of about 22,000 per month in the previous nine months.

The latest estimate—for the end of July—of the number of young people taking part in government employment and training schemes is 54,000. It is officially estimated that these schemes reduced the register of *unemployed by 330,000.*

Mr Eric Varley, Labour's employment spokesman, said: "Today's tragic unemployment figures expose the deceit and phoney euphoria which the Government perpetrated on the country before the general election."

Unemployment map, Page 3
U.S. unemployment steady, Page 2
Editorial Comment, Page 14

Brazil bank chief resigns over IMF

BY ANDREW WHITLEY, IN RIO DE JANERIO

BRAZIL'S CENTRAL bank governor, Sr Carlos Langoni, abruptly resigned yesterday in a major row over Brazil's revised draft agreement with the International Monetary Fund, which he claimed was "un-realisable."

His dramatic departure from the Government, on the eve of conclusion of Brazil's letter of intent to the IMF, leaves the country's crucial foreign debt refinancing programme with the Fund and its international bank creditors in a state of confusion and uncertainty.

Inevitably, there will now be a further delay in the finalisation of the agreement, and thus in the disbursement of the \$2.1bn in loans blocked by the IMF and the banks since May.

But the length of the delay, and the extent to which Brazil's policies may change, depends on the speed with which Sr Antonio Delfim Netto, the Planning Minister, and President Joao Figueirado can restore their authority over economic policy. In recent months this has been badly battered by repeated changes of course and a failure to meet declared goals.

Sr Langoni yesterday publicly attacked the handling of the protracted negotiations with the IMF, bringing out into the open longstanding differences with Sr Delfim Netto on policy issues.

At a Press conference in Rio de Janeiro, Sr Langoni confirmed that the main points of difference between himself and the other economic ministers, in relation to the revised IMF accord, were commitments to reduce the public sector deficit to zero next year and to bring inflation—expected to be 160 per cent this year—down to an annual rate of 55 per cent.

In his opinion, the targets should have been in the 70 per cent to 80 per cent range for inflation and between 0.5 per cent and 1 per cent of Gross Domestic Product for the public sector deficit. These goals could have been reached "with ease," he said.

Within hours of Sr Langoni's resignation, his successor was named as Sr Alfonso Pastore, a former Sao Paulo state finance secretary and personal friend of the Planning Minister. Sr Pastore, 44, has been teaching economics at the University of Sao Paulo.

The post of Central Bank Governor gives the holder control over day to day fiscal policy in Brazil. But it is directly subordinate to the Finance Minister, Sr Ernane Galveas, and, since Sr Delfim

Continued on Back Page
Resignation may delay IMF deal, Page 2

Thorn/EMI chief joins British Rail top team

By Hazel Duffy

THE GOVERNMENT announced its top team for British Rail yesterday—a week before Sir Peter Parker retires after seven years as chairman.

Mr Robert Reid, aged 62, now vice-chairman and chief executive, will become chairman. His term of appointment runs until January 1987. His salary, at £63,600 a year, is the same as Sir Peter's.

Sir Richard Cave, aged 63, now chairman of Thorn/EMI, the electrical group, becomes non-executive deputy chairman. Sir Richard, who takes over his new job on October 1, will be part-time and will receive a salary as a percentage of £50,000 for the post full time. He had already planned to step down as executive to non-executive chairman of Thorn/EMI on October 1, becoming president of the group from next March.

The decision to give the top job to Mr Reid, a career railwayman, many months after his name had been first linked with the chairmanship, suggests that the Government would have preferred a strong outsider.

The Prime Minister is believed to have wanted Lord King to take on British Rail in

Continued on Back Page
Profiles, Page 3

Ford seeks to call truce in price war

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD next week will offer a truce in the new car discount war, which has reached unparalleled ferocity during the past few months.

Its two major rivals, General Motors, which produces Vauxhalls and Opels, and BL's Austin Rover offshoot, are likely to accept the offer. But they will be quick to blame Ford, as market leader, for starting the spread of discounts.

Discounting was at its most savage last month when the manufacturers are estimated to have spent £40m to £50m on extra incentives.

Mr Sam Toy, chairman of Ford of Britain, will offer to end the excessive discounting and subsequent "disorderly marketing" when he meets the Ford Dealer Council in London on Monday.

However, he will make it clear that, if Ford's main competitors do not follow suit, his company has "plenty of shots in its locker" to defend its 30 per cent market share.

Some Ford dealers claim they have been among the worst casualties of the discount war. "When a manufacturer forces on dealers more volume than the market can really take it means his dealers have to fight one another rather than the opposition," said one yesterday. "And as there is no more than five miles between any Ford dealer in Britain we have been battling with each other."

A number of Ford dealerships have been advertised for sale recently. The Ronald Sewell motor trade consultancy group commented: "A few years ago people were queuing up for a Ford franchise and there was hardly any need to advertise if you wished to dispose of one.

"The discount war, in which which Ford has played a leading role, has made the franchise rather less desirable and the advertisements have appeared accordingly."

The August sales boom will have helped Ford cut its stocks *and will have* eased the pressure on the group to continue the discount battle.

Mr Toy will make the point that his company registered more than 110,000 new cars in August, the first car maker in Britain to exceed 100,000 sales in a single month and the only Ford company outside the U.S. to do so.

Both Austin Rover and Vauxhall-Opel seem to be satisfied with their achievements in August which leaves only those companies with relatively small market shares and who have missed their required sales targets to continue the battle.

For example, Peugeot-Talbot, the French-owned group has advertised a cash refund to Horizon buyers in September.

Dragon Data rescue plan agreed

By Charles Batchelor

DRAGON DATA, the Welsh-based *microcomputer* venture launched by Mettoy, the Corgi toy-making group, has had to be bailed out by its shareholders after running in to cash-flow problems.

The company is the latest in the British microcomputer field to disclose that it is in difficulty. Last month Grundy Business Systems, maker of the New-Brain, announced it was going into liquidation because of financial problems.

Dragon's difficulties are a blow to Mettoy, which had hoped the computer company would lift it above the problems of the depressed traditional toys sector.

A hurriedly-convened meeting of Dragon shareholders yesterday agreed a financial rescue package worth up to £2.5m to tide the company over until the expected increase in sales in the pre-Christmas period.

Mr Tony Clarke, chief executive of Dragon, the man who led

Continued on Back Page
A rough ride for British micro computer companies, Page 3

£ in New York

	Sept. 1	Previous
Spot	\$1.4950-4960	\$1.5000-5010
1 month	0.04-0.06pm	0.04-0.06pm
3 months	0.19-0.23pm	0.31-0.26pm
12 months	0.76-0.83pm	0.81-0.89pm

CONTENTS

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Moscow resists pressure to reveal details of destruction of airliner

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

DESPITE its admission of having fired "warning shots," the Soviet Union yesterday continued to resist mounting western pressure for a full account of Wednesday's shooting down of a South Korean airliner. Though the Soviet Embassy in Paris described this incident as a "catastrophe" it also attacked the "hysterical anti-Soviet campaign" launched by the U.S.

The outrage expressed in western capitals has reportedly caused Mr Yuri Andropov, the Soviet leader, to cut short a holiday in the Caucasus and return to Moscow for an emergency session of the Politburo.

A mesage from Mr Andrei Gromyko, the Soviet Foreign Minister, to Mr George Shultz, the U.S. Secretary of State, does not go beyond the two paragraph statement issued by Tass on Thursday, according to diplomats.

This statement merely said that Soviet fighters had intercepted an unidentified plane and the aircraft ignored warnings from interceptors.

The Soviet statement made no mention of the fate of the aircraft, but the crew of a Japanese fishing vessel saw a "bright object" in the sky over Sakhalin Island early Thursday which could have been the crash or explosion of the jet, Japanese officials said yesterday. They also reported two to three loud bangs.

Mr Lee Bum-Suk, the South Korean Foreign Minister, confirmed to a Press conference that the airliner, on a flight from New York to Seoul via Anchorage, had strayed into Soviet airspace.

The Soviet Union is seeking a banking credit to finance purchases of U.S. grain, a senior U.S. official said, yesterday, Reuter reports from Alpbach, Austria.

Mr Norman Bailey, senior director of International Economic Affairs at the *National Security Council, said the Soviet* Union has made several approaches to commercial banks for a credit to pay for grain. Mr Bailey is attending an economic symposium here.

The U.S. Government is unlikely to be involved in any credit, especially in view of U.S. charges that the Soviet Union had shot down a South Korean airliner, Mr Bailey said. But the Government would probably not prevent U.S. banks from extending a credit to Moscow, he added.

Meanwhile Mr John Bloch, the Agriculture Secretary, said the U.S. should go through with a recent grain-sale agreement with the Soviet Union despite the loss of the South Korean airliner over Soviet airspace.

Mr Lee said that there could have been some fault in the aircraft's computerised navigational equipment or a failure in radio contacts between the plane and the ground. He was not able to explain why there was no radio contact between the Soviet interceptors and the airliner, but said the Soviet aircraft did not try to communicate with the airliner.

He described the shooting down as an "inhuman and barbaric act." He demanded a "formal apology and complete and adequate punishment" of those involved. Japan has said there can be no excuse for the shooting down of a commercial airplane.

The Japanese Transport Ministry said today it had closed the flight path on the Anchorage-Japan route taken by the South Korean airliner.

The flight path, called Romeo-20, is one of five flight paths, each 50 miles wide, between Anchorage and Japan.

Korean Airlines had already announced it would not longer use the route "because of its proximity to Soviet territory and to prevent the occurrence of similar incidents in future."

The incident threatens to turn next week's scheduled finale of the European Security Conference in Madrid into a major East-West confrontation. Mr Gromyko is due to meet Mr Shultz here and to face foreign ministers of western countries who yesterday expressed outrage at the incident.

Soviet ambassadors in countries such as Britain and West Germany were summoned in by governments appalled at the attack.

In London Sir Geoffrey Howe, the Foreign Secretary, called for punishment of those who ordered the shooting down of the Boeing 747 and compensation for the victims and their families: one Briton was among the 269 believed dead.

In Paris a Foreign Ministry spokesman said that France expressed its "strongest possible outrage" and would seek an explanation from Mr Gromyko when he visits the French capital on Monday.

In Bonn the Government spokesman called it "an inconceivable act of unsurpassed brutality," while in Rome Sig Giovanni Spadolini, the Italian Defence Minister, called the incident "a mad gesture of war." The Pope yesterday expressed his shock.

The International Civil Aviation Organisation, based in Montreal, was yesterday awaiting requests for action from the South Korean Government and the UN Security Council, before deciding whether to call an emergency meeting over the shooting down of the airliner.

Mr Assad Kotaite, *President* of the Council of the 151-nation body, has sent a telegram to the Soviet authorities demanding a full explanation of the incident. The President has the authority to call a special session of the council, with seven days' notice.

However, the world's main pilot federation is due to meet in London on Tuesday to discuss a boycott of Soviet airspace. Mr Otto Lagerhaus, deputy president of Ifalpa, the International Federation of Airlines Pilots, says the meeting was proposed by U.S. pilots. Mr Lagerhaus said that last year Ifalpa protested at the introduction of a new route system for the air corridors between Anchorage and Tokyo because of the poor navigation condi*tions in the area.*

Langoni's resignation may delay IMF deal

By Peter Montagnon, Euromarkets Correspondent

WHEN Sr Carlos Langoni told an audience of foreign bankers last March that there could be no "unchaotic solution" to the debt crisis, few of those listening dreamed of the way in which the speaker himself *would add immeasurably to that* chaos before long.

For with his abrupt resignation as Governor of Brazil's Central Bank on Thursday night, Sr Langoni has cast a new shadow of uncertainty over crucial negotiations between Brazil and the International Monetary Fund on a programme designed to stave off a default on its $90bn foreign debt.

At the very least his departure is likely to delay completion of Brazil's agreement with the IMF. That agreement which is intended to unleash a flood of new lending from western banks and governments, has become vitally urgent as Brazil's debt service payments arrears mount inexorably beyond the $2bn mark.

As news of the resignation filtered through to banks in Europe and the U.S. yesterday worries mounted on two particular fronts. First, the timing of the resignation at a crucial juncture in the International Monetary Fund talks makes it much harder for creditors to maintain a united stand.

Second the resignation reveals a stark split in the Brazilian economic team in which Sr Langoni played a prominent role alongside Prof Antonio Delfim Netto, Planning Minister, and Sr Ernane Galveas, Finance Minister.

"It cannot be a good thing," *said one* banker yesterday, "when a central bank governor resigns in the middle of debt talks." Sr Langoni's ostensible reasons for leaving—that the IMF programme was unworkable because of its tight targets for Brazil's budget deficit and inflation—will only add fuel to the growing *political opposition* inside Brazil to a programme that also envisages a savage cut in real wages.

Yet, paradoxically, few seem to regret his departure personally. Sr Langoni has enjoyed a particularly high international profile as the country's debt problems have mounted. Thrust into the forefront of technical talks with foreign bank creditors and central banks, he managed by dint of very cordial relations with the press, to convey a public image of a young and dynamic technocrat—he is only 39 and has been governor of the central bank since 1980. Belying this image, however, is a private perception among leading Western bankers and central bankers of a man whose cavalier and sometimes arrogant approach to the debt crisis has hindered more than it has helped.

Had the resignation occurred in May, many bankers would have welcomed it as a sign that the government of President Joao Figueiredo was moving to sooth ruffled feathers in the banking community by replacing him with a central banker who understood them better.

The very fact of his resignation also shows that Sr Langoni has not had as much of a central role in formulating economic policy as some foreigners think. The reins are held very tightly by his mentor, Prof Delfim Netto, who was responsible for his installation as a junior partner at the central bank in 1980. And many would argue that Prof Delfim's ability to swallow IMF medicine is now much more important than who happens to be in charge at the Central *Bank.*

Speculation is rife at every twist and turn. There were those in Europe yesterday inclined to read more than a hint of opportunism into Sr Langoni's departure. Does this mean, they asked, that he knows the Brazilian Congress will scupper the IMF negotiations by refusing to endorse a 20 per cent cut in real wages? If so, Sr Langoni, might be doing little more than leaving a sinking ship.

Lebanon army takes firm grip on battle-scarred Beirut

BY NORA BOUSTANY IN BEIRUT

BEIRUT SIGHED with relief yesterday as traffic returned to the streets and residents came out for the first time in days to shop and inspect the damage around their homes.

Lebanese army soldiers patrolled all the streets of mainly Moslem West Beirut. But the army brigade which had participated in the sweep to flush out militiamen from that part of the city returned to its positions in the eastern half of the capital.

Egyptian President Hosni Mubarak yesterday called for concerted Arab action to help resolve the Lebanese conflict and offered to host a conference to debate the crisis, Reuter reports from Cairo.

There was not one street or corner without shattered glass or wrecked cars — evidence of the battles between the Lebanese army and Moslem and left-wing militiamen.

Along the corniche, the sea front boulevard, Lebanese *soldiers danced and sang in* celebration of their first major victory over lawlessness in this battle-scarred city. The morale of the troops was high and their new-found assertiveness was reflected in their firm control at checkpoints on strategic avenues.

The casualty toll from the last five days of fighting was put at 42 soldiers killed and 176 wounded. Newspapers said about 100 civilians had been killed and several hundred wounded.

Lebanon's state media announced that Foreign Minister Elie Salem had sent a message to Arab League secretary general Al Chadli Kleibe reiterating a request by Lebanon for the withdrawal of Syrian and Palestinian troops from Lebanon.

According to Lebanese officials, artillery positions in the Syrian-held Upper Maten and Aley regions participated in the shelling of the greater Beirut area and its southern and northern outskirts.

The Progressive Socialist party of Syrian-backed Druze leader Walid Jumblat also participated in the fighting, in which Shi'ite Moslem Amal militiamen battled for control of the city with Lebanese army regulars.

Christian Militia officials expressed satisfaction at the per*formance of the army.* Mr Fay Hayek, a Lebanese army spokesman, said "for once Lebanese soldiers acted as Lebanese soldiers. What is important is that we now have an army we can rely on."

A Lebanese army tank patrols a main street in West Beirut.

Arafat calls for Mideast peace conference

BY ANTHONY McDERMOTT IN GENEVA

MR YASSER ARAFAT, chairman of the Palestine Liberation Organisation, said yesterday he would be willing to participate in a conference headed by the two super powers on the basis of UN resolutions dealing with the Middle East.

Addressing the UN-organised *international conference on the* qusstion of Palestine, he said "we are ready to co-operate with all forces headed by the UN organisation and its agencies within the framework of . . . its resolutions related to the Palestine Question.

"And within this context, we call for an international conference, under the auspices of the UN, in which the two super powers participate with the rest of the concerned parties." The most important UN resolutions, namely numbers 242 and 338, would imply recognition of Israel.

The 10 days conference, which ends on Wednesday, is being attended by about 1,000 delegates, representing some 120 countries. Its authority is somewhat diminished, however, because the U.S. and Israel are boycotting it. Nineteen other countries, mainly from western Europe, are represented only as observers.

After Mr Arafat's address and press conference, Dr Ovadia Soffer, the head of Israel's mission to the UN, denounced the exercise as a "publicity stunt . . . a synonym for waste, disillusion and extremism." Both Israel and the U.S. have refused to contribute to the $7m (£4.65m) costs.

Mr Arafat criticised the U.S. sternly, saying that Mr Philip Habib, President Ronald Reagan's former special envoy, last year had sent a written guarantee "to protect the civilians, Palestinian refugee camps and the fighters' families in Beirut from any *aggression* . . . and safety after the evacuation of the (Palestinians) . . . ."

Subsequently the massacres at the Sabra and Chatile Palestinian refugee camps occurred.

Renewed fighting reported in Chad

By Our Foreign Staff

RENEWED fighting appears to *have broken out in northern* Chad, with claims yesterday that French Jaguar aircraft have intervened in the conflict for the first time, and counterclaims that Libyan groundforces were also involved.

According to spokesmen for both the Chad Government and the rival rebel forces of ex-President Goukouni, the fighting took place at Oum Chalouba, some 95 miles north of the closest French army positions.

Although there was no formal French comment on the claims, news agencies quoting "*informed sources*" in *Paris* denied any active French involvement in the fighting, while admitting that Jaguar aircraft had been involved in surveillance missions over the area.

In N'Djamena, Mr Mahamat Soumaila, the Chadian Information Minister, said that a force of some 3,000 rebels, whom he claimed were Libyan troops, had twice attacked the town of Oum Chalouba and had been repulsed by government forces loyal to President Hissene Habre.

In Tripoli and Paris, spokesmen for the Goukouni forces claimed that Jaguars had attacked their positions at the town.

They also claimed to be in control of Oum Chalouba, which has changed hands several times in the recent weeks of fighting.

Agence France Presse quoted unnamed officials in Paris as saying that Jaguars had overflown the area, but had not been involved in any firing or bombing.

Meanwhile, the U.S. was reported yesterday to be resuming its airlift of military equipment to the Habre government, with delivery of a C-130 transport aircraft expected today. Washington has promised $25m of equipment, and has already delivered Red-eye anti-aircraft missiles, anti-tank weapons and communications equipment.

Credits for S. America defended

By Our Washington Staff

MR WILLIAM DRAPER, chairman of the U.S. Export-Import Bank, answered congressional criticism of the $2bn (£1.3bn) in loan guarantees and insurance offered to Brazil and Mexico, saying the proposed *facilities are "entirely con*sistent" with the bank's long-standing practices.

Senator William Proxmire, the leading Democrat on the Senate Banking Committee, has demanded that Eximbank get congressional legislation passed for what he called the "bail-out" of indebted nations.

He asked the government accounting office to rule by September 15 on the legality of the bank's proposal.

"We would like to note that since the facilities are comprised of individual short- and medium-term export credit guarantee and insurance transactions, we do not believe that Eximbank is legally required to notify Congress at all," Mr Draper said in a letter to the senator.

The credit facilities could support purchases of food, chemicals, manufactured goods, machinery, transport equipment and coal from U.S. suppliers for one year.

Both countries have sharply cut those purchases this year, causing "a substantial loss of American export-related jobs."

Rather than a bail-out, the proposed credit facilities are designed to soften the impact of the financial problems of Brazil and Mexico on the U.S., Mr Draper said.

"The credit will complement the efforts of the IMF, since their utilisation is expressly conditioned upon IMF assistance being arranged with Brazil and Mexico for balance of payments purposes."

Strike halts production at Peugeot car plant

BY PAUL BETTS IN PARIS

STRIKE ACTION has again hit one of the financially troubled Peugeot car group's main factories in the Paris area. Production at Citroen's Aulnay plant has been brought to a standstill for the last two days by a wildcat strike in one of the factory's workshops.

The plant, which produces 800 cars a day, has been one of the Peugeot group factories most affected by the labour tensions that have plagued France's large private car makers.

The other strike-torn plant is the former Chrysler factory at Poissy in the Paris area *which now produces Talbot cars.*

Unrest started at the Citroen factory the very day it reopened after the summer holidays. The issue at stake involved a demand by a union worker that one of the plant's shop stewards be replaced.

Subsequently the pro-Communist CGT union said workers at the plant demanded a 3 per cent pay increase. Both demands were rejected by management.

The company is now at the centre of what could become a major political and industrial test case in France. The private car group, burdened by heavy losses and accumulated debts, is seeking to shed 10 per cent of the Peugeot and Talbot car division workforce in France.

The last stage in the formal application to lay off slightly more than 7,000 workers is to be made by the Peugeot group *at the end of next week.*

Although there appears to be no direct connection at this stage between the trouble at Aulnay and the car group's proposed layoffs, the unrest at the Citroen plant reflects the underlying tensions affecting the group as a whole.

UK unlikely to back rail bid with aid to Singapore

BY CHRISTIAN TYLER, TRADE EDITOR

BRITAIN IS unlikely to offer aid to Singapore in order to gain for UK companies a share in the island's big commuter railway project.

But the British Government would be giving full support to UK bids and was confident of putting together a competitive package, the Department of Trade and Industry said.

A delegation from Singapore's provisional Mass Rapid Transit Authority ended a two-day visit to London yesterday with a meeting with Mr Paul Channon, Trade Minister. The delegation also talked to industry officials *and to the Export Credits* Guarantee Department. It has already visited Tokyo and Paris.

The Singaporeans are reportedly shopping round for the best credit terms from the governments of host countries of engineering and construction companies which have qualified to tender for the $2.5bn railway.

Despite strong competition from France, West Germany, Japan, the U.S. and Canada, the British authorities were yesterday stressing their commitment to OECD rules governing export credits.

Nearly 400 companies from 23 countries applied to tender for the various contracts, which *will begin to be awarded* from this autumn.

OBITUARY

Senator Jackson dies at 71

SENATOR HENRY M. Jackson, pictured below, one of the U.S. Senate's staunchest anti-Communists and strongest supporters of a strong U.S. military, is dead after suffering a massive heart attack at his home in Everett, Washington. He was 71.

Mr Jackson, a Democrat who failed in two bids at the Presidency but never lost an election in his home state of Washington, died on Thursday night.

Mr Jackson was a politician of national prominence, a liberal on domestic issues and a "cold warrior" on international affairs.

He also was a leader on energy and environmental *affairs, considered the father* of the Environmental Protection Agency.

AP

U.S. unemployment rate holds steady at 9.5%

BY NANCY DUNNE IN WASHINGTON

THE U.S. unemployment rate *held* steady in August at 9.5 per cent, the same level as the previous month, confirming earlier suggestions that the nation's recovery is slowing.

The Labour Department reported yesterday that the number of Americans without jobs rose slightly to about 10.7m last month, but because of seasonal adjustments, the increase was not enough to change the overall rate of unemployment. At the same time, the economy has expanded enough to push total employment in the civilian work *force to a record high of 101.6m* in August.

The jobless rate had been dropping slowly but steadily since it reached its peak of 10.8 per cent last December. However, any radical improvement, like the 5 per cent drop between June and July, is unlikely to recur in the near future.

The Department announced earlier in the week that the initial claims filed by newly unemployed workers, which had declined since October 1982, rose slightly in August. At the end of July, 371,000 jobless filed for unemployment benefits. That figure rose to 381,000 on August 6; 427,000 on August 13 and 436,000 on August 20.

Meanwhile, there were significant increases in unemployment among black and hispanic workers. The rate for black workers rose from 19.5 per cent to 20 per cent, and among hispanics, increased from *12.3 per cent to 12.9.* Unemployment among black teenagers in August rose from 48.1 per cent to 53 per cent.

Unemployment also increased in the manufacturing and construction sectors, where a recovering economy might have showed improvement, from 18 per cent in July to 18.1 per cent in August.

U.S. builds up military presence in Honduras

BY TIM COONE IN TEGUCIGALPA, HONDURAS

THE U.S. military presence in Honduras is beginning to look increasingly open-ended. Joint Honduran-U.S. manoeuvres that began on August 5 are likely to continue well into March of next year, when a full-scale "field exercise" will be mounted in Olancho Province involving four or more infantry battalions.

Most of the U.S. military presence at the moment consists of support troops. A 480-strong aviation battalion arrived last week with 30 helicopters, and a 250-strong medical team is to arrive shortly.

The first combat units are to arrive this month when a field artillery battalion of 370 men and 18 105mm howitzers are to be landed at the northern base of Trujillo, where a new camp has been established for the training of El Salvadorean military units. The biggest contingent of U.S. troops are due to arrive in November, when 2,000 marines will make an amphibious landing on the northern coast. However, unlike the other units, the marines are not expected to stay in Honduras for more than a week.

Other activities by U.S. forces include the construction of a 3,500 ft long airstrip close to the Nicaraguan border.

Uranium project will go ahead, says Hawke

By Michael Thompson-Noel in Sydney

MR BOB HAWKE, the Australian Prime Minister, yesterday repeated his assertion that the A$1.7bn (£1bn) Olympic Dam mining project at Roxby Downs, South Australia, would go ahead—despite growing opposition by anti-nuclear protesters.

Olympic Dam, one of the world's richest mineral finds, is thought to contain at least 1.2m tonnes of uranium, as well as huge quantities of copper, silver and gold.

In clashes between anti-nuclear protesters and police at the mine site this week, more than 100 demonstrators were arrested.

Despite Mr Hawke's assurances, uranium is seen as one of the trickiest issues confronting the Australian Labor Party Government, which won power last March.

Yesterday, in Sydney, Mr Hawke *said* that "the Roxby development is going ahead, and nothing is going to stop that."

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Importance of oil 'beginning to decline'

BY RAY DAFTER, ENERGY EDITOR

OIL'S relative importance in the world energy market has begun a long, slow decline, Mr John Lichtblau, president of the U.S. Petroleum Research Foundation, told delegates at the World Petroleum Congress in London yesterday.

Although demand for oil would rise over the next 20 years, the growth rate of other fuels—particularly coal and nuclear power — would be greater.

Mr Lichtblau, speaking at the last day of the congress, estimated that world oil demand would rise from 60.6m barrels a day (equivalent of 2.9bn tonnes of oil a year) in 1981 to 64.1m b/d in 1990 and 70.6m b/d in the year 2000. The forecast was based on the real price of oil remaining at about $29 a barrel until the end of the century.

Global demand for energy in general was expected to rise by about 50 per cent during the next two decades, from 6.7bn tonnes of oil equivalent (toe) in 1981 to 10.1bn toe in 2000. Demand for coal was expected to rise 61.5 per cent.

● Leaders of China's petroleum industry are to visit the UK next week for discussions with oil companies and a detailed review of the country's offshore oil capability. The delegation, led by Mr Tang Ke, the Petroleum Industry Minister, will also meet Government leaders including Mr Peter Walker, Energy Secretary.

Mr Walker said yesterday the UK was not only keen to help the Chinese explore for oil but was also interested in providing services and equipment. "Our experience in developing the oil and gas resources of the UK continental shelf will be invaluable to the Chinese as they embark on a similar venture," he said.

Taiwan bans Philippine flights

TAIWAN yesterday announced the suspension of landing rights for Philippines air lines in retaliation for the Philippines' failure to lift a similar suspension on China Air Lines, Taiwan's flag carrier, **Bob King reports from Taipei.**

Taiwan's civil aeronautics administration said its suspension of landing rights would last until the Philippine Government ended its own ban.

هكذا منه الأصل

Independent house insurance

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Some months ago I read in your columns a report on comments by the Director General of the Office of Fair Trading, to the effect that the restriction by the building societies whereby mortgagees were required to insure properties through them was to come to an end; and as long as the mortgagee provided annual proof to the building society that the property was insured to its current market value, then the society could not insist on the premium being paid through their office.
Can you please advise me on the current position in this matter?

As you rightly say, it is normal practice for Building Societies to insure secured properties through their block policies. This in effect is to ensure that they will be adequately compensated in the event of the destruction of the security subjects.

However, some Societies do now permit independent insurance if certain requirements are met. These usually include that the policy is drawn in the joint names of the Society and the debtor and the insurance cover is for at least the reinstatement value of the property which sum should be index-linked or at least subject to a yearly review.

Clearly, the regulation will vary according to the Society and we would suggest that you approach your Building Society directly to ascertain what conditions they would impose on an independent insurance of your secured premises.

No rollover on CGT

My father purchased an investment property in 1960 at about £5,000 and the property remained in tenanted occupation until 1981 whereupon it was transferred to me by gift, both of us electing that the gains tax should be "held over" (Section 79 FA 1980). The value at the time of the conveyance is estimated to be £25,000. I have occupied the property ever since as my main private residence but I also carry on a trade from these premises.
Could you please indicate to me how the gains tax liability is to be calculated if I dispose of the property outright for a figure of, say, £40,000 and the extent to which I would be entitled to rollover relief if I purchase a replacement house at £30,000, using the fresh premises in precisely the same way as at present?

There can be no rollover under section 115 of the CGT Act 1979 (unless the fresh premises are used only for the purposes of your trade), as you will see from a booklet CGT11 "CGT and the small businessman," which is obtainable from most tax inspectors' offices.

However, unless part of your present home is being used exclusively for the purpose of the trade, the sale may be immune from CGT, by virtue of section 102(1) of the Act.

Share or deposit holder

What please is the difference between an estate agent who *holds the deposit as a* "Stake Holder" and one who is merely a "Deposit Holder"?

An estate agent who receives a deposit not expressed to be as stakeholder or as agent for the vendor must return it to the depositor if called upon to do so; but if he receives a deposit "as stakeholder" he may not pay the deposit out otherwise than to the person entitled in the event on which the stake depends. Hence a stakeholder cannot pay the deposit out, once a contract has come into being, except to the party who is entitled to it under the terms of the contract.

Injuries and limitation

A neighbour some 10 years ago suffered an accident to his eye with no apparent ill effects after a few days, but some four years ago the sight in it began to deteriorate and recently he has been prescribed a lens for that eye considerably thicker than that for the other. In a case such as his, where the full extent of the injury does not become apparent for a number of years, does he have any legal basis upon which he could now submit a claim for compensation or is he simply out of time?

By sections 11 and 14 of the Limitation Act 1980 the limitation period for claims for personal injuries is three years from the date of accrual of the cause of action or from the date when the claimant has knowledge that the injury was significant and attributable to the act or omission which is alleged to constitute the negligence, nuisance or breach of duty complained of. Your neighbour would therefore be wise to consult a solicitor without delay.

Tenure of a garage

I own a garage which I have been letting to a tenant who has been using it for storage purposes. He has been sent a notice to quit, but has not done so. You referred to this matter on February 2, 1983 under the heading Tenure of a garage. Could you please let me know what the legal positon is? The tenant has *not paid or offered any rent* for more than a year.

There is no security of tenure (beyond the contractual rights of the tenant under his lease or tenancy agreement) where a garage is let and used for the purpose of garaging vehicles only. However, if the premises are let for storage they might be subject to the protection of Part II of the Landlord and Tenant Act 1954, if the storage is for the purpose of a business carried on by the tenant. Otherwise such a tenancy will also be unprotected. If protected, the notice to quit will be ineffectual unless it was in the statutory form and gave not less than six or more than twelve months' notice. Even if the tenancy is within Part II of the 1954 Act, you can forfeit for non-payment of rent — but you should not seek to do so if a valid notice to quit has been served.

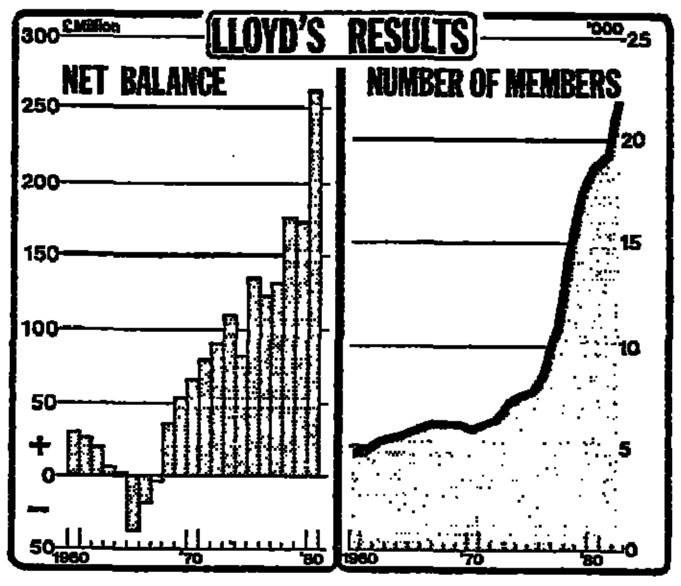
No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Record Lloyd's profits—for some

John Moore begins a series on becoming a "name" in the insurance market

THE RECORD profits of £264m announced by the Lloyd's insurance market on Thursday conceal major differences in the fortunes of the individual members. As Sir Peter Green, chairman of Lloyd's said when unveiling the results. "Mr Average Person does not exist."

The figures released show the results for the entire Lloyd's insurance market for the 1980 underwriting account. Under Lloyd's curious system of accounting, the market's books are left open for three years so that the professional underwriters can better assess the liabilities they face on their insurance policies. So the 1980 results are the latest available.



The Lloyd's market is not an insurance company. It is literally a market place made up of hundreds of small businesses which trade largely independently of each other.

Lloyd's finances its operations from a private membership. At present there are 21,601 members of Lloyd's. Of that number, 17,138 do not work in the market. They are the lords, ladies, sports and television personalities, businessmen, entrepreneurs, some MPs, and others of substantial means who join Lloyd's to gain a share of the profits.

The rest of the membership is made up of the working professionals in the market who look after the affairs of the outside sleeping members and generate business for Lloyd's.

To join the club, UK residents need show wealth of as little of £50,000, excluding the family home. But larger amounts of wealth must be shown if greater volumes of business are to be accepted.

Those who join are liable to the full extent of their wealth to meet insurance claims which fall on the market. In return for their support, they receive a share of the profits, sizeable investment income, and a range of tax breaks.

Members of Lloyd's are grouped into syndicates so that the professionals in the market who act on their behalf can transact a sizeable volume of business efficiently and at reasonably low cost. In Lloyd's there are 431 syndicates.

The results declared this week show the profitability of all these syndicates together.

But while most members will be drawing comfort from the latest set of figures, there are some members of Lloyd's who continue to lose money even in the most favourable of markets. The best performing syndicates in Lloyd's in 1980 are likely to show consistently good performances, while the worst ones tend to stick in the doldrums. The trick in joining Lloyd's is to pick a strong syndicate.

The Association of Members of Lloyd's, made up of 1,000 members of the market, regularly prepares its own tables of performance which are more detailed than Lloyd's own figures. In June this year, the Association, formed to protect the interests of underwriting members, produced preliminary figures which indicate the wide variation in performance between Lloyd's syndicates.

For instance, one top performing syndicate insuring ships showed a return of £4,284 to an underwriting member who had £10,000 of insurance business accepted on his behalf. A poor performing syndicate also in shipping returned a £2,019 loss to an underwriting member accepting the same volume of business. Both results include capital appreciation from investments.

But under Lloyd's three year accounting system a large number of members have not yet shown any return from their underwriting.

Some 3,049 members who joined after the start of the 1980 underwriting account will have to wait until their first underwriting account is closed before they find out whether the investment has been worthwhile.

○ Next week: How to pass the means test.

BUSINESS EXPANSION SCHEME

Pitfalls for investors

Tim Dickson examines the directors' interests in a company seeking funds

THE GOVERNMENT'S Business Expansion Scheme, with its generous tax reliefs, is becoming a bonanza for the enterprising financier.

Three weeks ago we drew attention to the steep charges made by several of the investment funds set up recently to take advantage of the scheme —and the conflicts of interest created by their structures.

These arrangements, however, seem tame compared with the remuneration for the promoters of a land reclamation company, New Farm Estates. The company seeking £5m from the public, is one of the first of many small enterprises taking advantage of the BES to raise equity capital from higher rate tax payers who can claim full tax relief on their investments.

Anyone considering buying shares in New Farm Estates should be aware of the following points:

● The prospectus shows that New Farm has agreed to pay a company called Courthand Financial Services "an amount equal to 10 per cent of the proceeds of the issue" for "procuring subscriptions for the shares." This means that CFS could collect £½m for its efforts.

Although it is perfectly legitimate, even a representative of the sponsoring stockbroking firm Brewin Dolphin conceded that "10 per cent seemed a little on the high side."

A director of the company said yesterday that the "up front" charge was "perfectly reasonable in view of the fact that commissions of 3 per cent have to be paid to agents. It is in any case a one off fee."

● John Caunce and Nicholas Marshall, two of the directors of CFS, the recipient of the 10 per cent commission, also happen to be the joint managing directors of New Farm Estates, the company paying this generous commission.

● Brewin Dolphin and another company, James and Co., will also receive commissions for their assistance in raising the capital required. Two other directors of New Farm Estates, C. D. Legge and P. B. James, are partners in Brewin Dolphin and James and Co. respectively.

● New Farm Estates is owned at the moment by six of its seven directors who, between them, subscribed for 100,000 shares in April this year at a price of £1.20p per share.

New investors are now being invited to subscribe at no less than £2 per share. A New Farm director claimed this week that "the people who founded the company are surely entitled to a bit of a premium." The premium in this case is 67 per cent.

● New Farm Estates started trading in May this year. Its only fixed assets are 100 acres of land near Saxmundham in Suffolk acquired for £55,000 this year.

● There is no forecast of trading profits. Apart from some general remarks about "relative changes in land values, Government policy and improvements in farming techniques," the only guide to likely future returns is an estimate of the future value of the Saxmundham site.

DEPOSIT RATES

Higher interest from house agent

MANN AND COMPANY, one of the largest firms of estate agents in the country, is offering building society investors an interest rate higher than that available anywhere else in a novel scheme to boost the mortgage funds available for its clients.

Investors will currently receive interest at a rate 1 per cent higher than the 8.5 per cent net rate offered on term shares to basic rate taxpayers by many of the smaller building societies. The money deposited through Mann must be left intact for 12 months for the full rate of interest to be received.

The 9.5 per cent net rate offered by Mann is above the new rate of 9.0 per cent being offered on two-year term shares by some of the larger building societies which became effective from Thursday. The basic interest rate, but not the 1 per cent bonus, under the Mann scheme is paid half-yearly so that the compound interest rate is 9.78 per cent.

The bonus offer will lapse at the end of the 12-month deposit period.

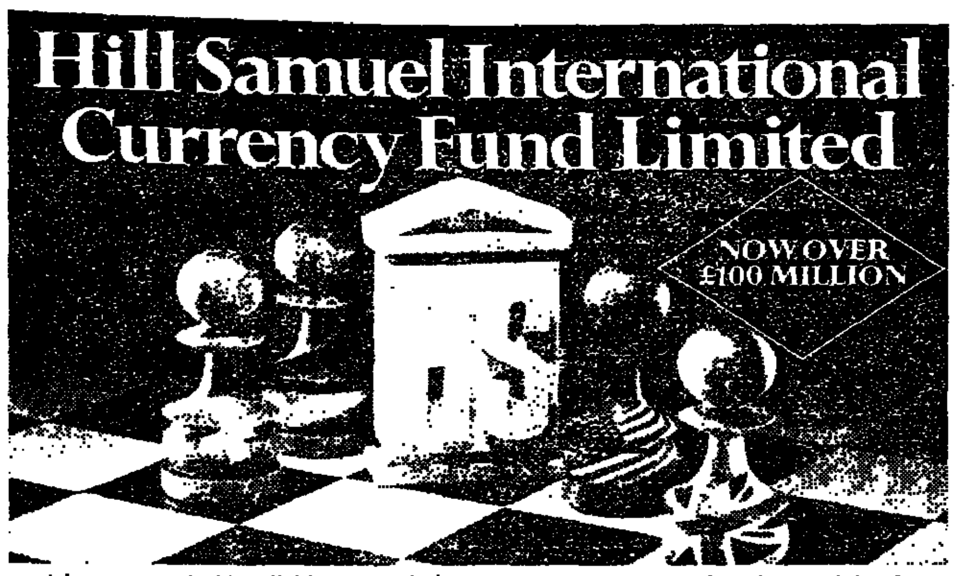
Mann and Co, which is based in Esher and covers the home counties and other parts of southern England, is able to offer the higher rate by foregoing the 1 per cent commission it receives from building societies for providing funds. In return it expects the unnamed but small building society with whom it is linked to return at least half the money it raises in the form of mortgages for its clients.

"We hope this will reduce the number of housing deals we arrange that fall through because the purchasers can't get mortgages," said Mr Agace.

The cheques sent by investors are to be deposited directly with the building society by Mann.

The building society involved has refused to disclose its identity at this stage as, according to Mr Agace, it does not wish its regular depositors to know it is paying an extra 1 per cent interest on funds channelled through intermediaries.

Clive Wolman



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NEW SHARE ISSUES

Surviving the stags' slaughter

Dominic Lawson looks at how a revived issue method affects the small investor

CONSERVATIONISTS should be told: if the autumn new share issue season confirms the trend that developed over the summer, the stag could become as scarce a species as the sabre-toothed tiger or the duck-billed platypus.

The danger is, however, that the methods being employed to freeze the stags out of the new-issue market may also deter the genuine small private investor from applying for shares.

The stag's hunting success depends on his ability to track down new shares offered for sale at a fixed price. To make the issue attractive to investors, the company usually agrees to fix a price below that likely to be struck in the market.

The stag, knowing this will apply for the new shares and sell out at a profit in the market as soon as dealings start. If the company's advisers badly underestimate the attractiveness of the new shares, the pickings can be lush.

For example Superdrug Stores, the discount retailer, was offered to the public in February at 175p per share. But when dealings started the price hit a peak of £3, a profit margin of over 70 per cent.

The issue however was oversubscribed 95 times, drawing in almost £1.5bn so that large investors were alloted only 1 per cent of the amount of shares they subscribed for.

This kind of undignified stampede led the City to think again about its methods of selling new shares to the public.

As a consequence, the tender method of offering shares has come back into fashion. Here the issuing house states the minimum price at which subscriptions can be made, and invites investors to tender for the shares at as high a price as they think they are worth.

The issuing house normally wishes to strike a price, below that reached when dealings begin in the market. But since tenders came back into fashion with the offer of shares in Datastream in March, the prices of most new shares have risen little. On some occasions, they have fallen, from the price originally struck by the issuing house, once trading has begun.

Not only the stag, however, but also the small private investor has suffered from this change. He does not feel particularly confident about trying to second-guess the experts in the City by offering a price for shares. And he may complain that it is the job of merchant bankers and stockbrokers, after spending months scrutinising the accounts and records of a company, to assess its likely stock market value.

A rule of thumb for the small investor is to tender at a price, about double the minimum tender price. The striking price is unlikely to be higher than this, so the investor should receive his allotment.

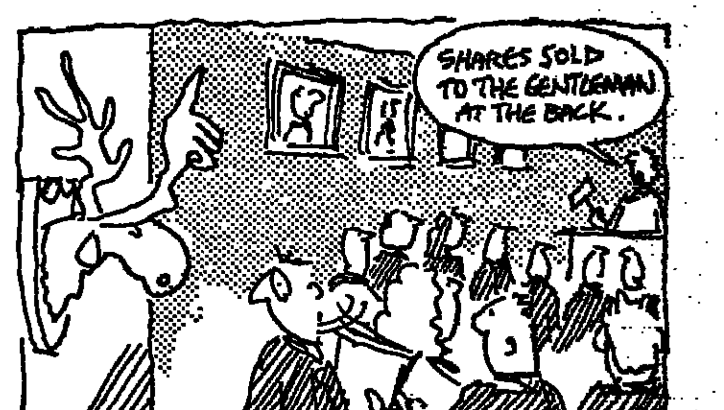
But this is only a wise policy if the investor genuinely wants to hold the shares over an extended period. He risks being given an allotment at a relatively high price.

Nevertheless, even tenders may provide an opportunity for those seeking short-term capital gains.

Micro Focus, a micro computer software company, was offered at a minimum tender price of 155p per share in May. Investors were so enthusiastic that the price was struck at 240p, a premium of 55 per cent. Yet within a week the price approached the 300p mark. This Thursday the shares were valued at 560p each, an astonishing 95 times post-tax earnings.

The tender method is particularly appropriate when stock market conditions are frothy and speculative. Then shares will be eagerly sought on the floor of the Stock Exchange at prices which merchant banks would never dare to underwrite as a fixed price offer.

But however despised stags may be at present, if despondency seizes the Stock Exchange, one can be sure that merchant bankers and brokers attempting to sell new shares will be anxiously scanning the horizon, looking for the tips of velvety antlers.



TENDERS

	Minimum price	Striking price	Opening price	Yesterday morning's price
Datastream	180	225	242	205
Octopus	275	350	360	430
Boase Massimi Politt	280	315	315	370
Micro Focus (USM)	155	240	265	560
Adam Leisure (USM)	80	88	94	93
Julianas	225	260	263	355
Renishaw (USM)	80	150	170	230
Cifer (USM)	115	115	126	173
Tunstall Telecom (USM)	100	140	151	171
CPU (USM)	105	130	118	116
SR Gent	160	190	198	184
DPCE	170	200	235	241
United Leasing	140	140	140	153
Henderson Admin	325	375	368	343
International Signal and Control	125	150	158	158

PENSIONS

Topping up with unit funds

Eric Short on a new way of upping the value of your pension

HIGHER-PAID employees wishing to top up their pension plans should look at a scheme launched this week by Legal and General Assurance which allows for much greater flexibility in investing pension contributions.

The scheme is aimed at employees who are prepared to make Additional Voluntary Contributions (AVCs) into their company's pension scheme in order to boost the size of their pensions.

Such a facility is particularly important to older employees who have seen their pension benefits eroded as a consequence of changing jobs during their earlier working lives.

Most of the money paid into pension schemes through AVCs has to date been invested in building societies and the traditional with-profits policies offered by life assurance companies.

Both these investment media, however, have produced steady but not spectacular returns for investors over past decades.

Building society and life policy investments would be particularly vulnerable to another bout of inflation.

The attraction of the new Legal and General scheme is that it allows additional pension contributions to be invested effectively in a wide range of unit funds alongside or instead of the regular contract. This gives the employee the opportunity to be involved in the management of his investment as he is permitted to switch his money between different funds when he wishes.

Legal and General is offering seven different funds, cash, equity, fixed interest, index-linked gilts, international, property and a managed fund. Any combination may be chosen.

There is no minimum investment in any one fund—and there are full switch facilities between them.

The minimum contribution to the scheme however, is £50 a month or £500 a year. So the plan is effectively limited to higher-paid employees.

There are several problems before an employee would be able to invest his AVCs in a unit-linked scheme like that of Legal and General.

He cannot make the decision unilaterally. He has to persuade his pension fund trustees both to provide a facility for employees to make AVCs if his fund does not have one and then, within that facility, to set up a unit-linked scheme.

All AVC schemes suffer from the disadvantage that the money cannot be touched until retirement. But unit-linked AVC schemes have further drawbacks.

The effectiveness of regular investment in unit-linked funds depends very much on the market level at the time of cash-in. So the investor needs flexibility in his timing in order to be able to cash in his units when the market is strong.

But the benefits under an AVC scheme have to be taken at the same time as the benefits under the main company pension scheme, at retirement or early death. At that time, stock markets and the employee's units may be in a trough.

But a highly succesful investment may also create problems, if the total value of the pension, including the top-up, exceeds two-thirds of the employee's final salary.

In that case, the employee simply loses the extra income in excess of the two-thirds cut-off point, to the benefit of his company pension scheme.

Bonus Offer of upto 2% to 30th September

First Offer of Four New Unit Trusts

Today sees the first public offer of units in not just one but four new unit trusts. At the moment they were created on 22nd August they were already worth £60m, and constituted the largest launch of new units on record in this country.

GROWTH

It is a sensible rule that all unit trust advertising must state that the price of units and the income from them can go down as well as up. Let it be said here boldly, and not buried.

Even so we are confident that the omens for growth have not been better for many years. Recovery in the world economy may be patchy, but its signs are there in all markets. And the objectives of our three growth trusts are such that we can seek growth precisely where the signs of it are most obvious, and where the prospects of its continuing are healthiest: in the Far East, in North America, and in combinations of both with the UK stockmarkets added.

Our fourth trust, the Scottish Income Fund, is also designed for growth – in this case primarily for growth in income. For tax reasons the fund's investments will mostly be in UK equities.

SCOTTISH UNIT MANAGERS

We ourselves – Scottish Unit Managers, or SUM – are a new name in unit trusts. But the people who form it are highly experienced in investment management.

The participants are Martin Currie, and British Linen Fund Managers, both part of the prominent Edinburgh financial community. Martin Currie were founded in 1881. They have some £500m investments under their management, and run a general unit trust with such success that it stood sixth in *The Times* list of growth units to 1st May, 1983 – a formidable ranking for a trust with a general portfolio.

British Linen Fund Managers have some £250m under their hand. They are part of the British Linen Bank, founded in 1746, which is now the merchant banking subsidiary of the Bank of Scotland.

SCOTTISH PACIFIC FUND

The Far East, poised for rapid economic growth, lends itself perfectly to Scottish Pacific's investment aim of capital growth.

In *Japan* we expect corporate profits to climb sharply: by up to 40 percent in the half year to March 1984, compared with the previous half year. We also expect the Japanese government to bow to pressure and stimulate the domestic economy by actually encouraging imports.

The rebound in *Hong Kong* promises to be euphoric. GNP this year is on course for 6 percent growth, and any sensible solution to the lease question should trigger a bull market. Meanwhile *Malaysian* growth seems secured by the steady development of the country's infrastructure.

The estimated yield at an offer price of 25p is 0.39%.

SCOTTISH NORTH AMERICAN FUND

Scottish North American is a growth fund, taking advantage of the strong performance of (mostly) smaller companies in the world's largest and richest market. Office equipment, defence technology, health care, specialist retailing, and financial services are typical of the sectors for investment.

We expect occasionally to be in energy, in thrusting private companies going public, and in larger companies on the brink of the recovery that is gaining momentum in the economy as a whole.

USA will normally account for at least 90 percent of the portfolio, but we shall also look for growth in *Canada*, where mines, energy, and timber look especially dynamic.

The estimated yield at an offer price of 25p is 0.30%.

SCOTTISH WORLD GROWTH FUND

As its name implies, Scottish World Growth is free to seek out opportunities for capital growth without geographical constraint, or confinement to any particular sector.

We will invest mainly in the major markets – in USA, Japan, and the UK, and our strategy will be to go for equities whose prospects seem outstanding.

Our tactics, however, will be swift and opportunist, in anticipation of changes in local economic climates and in the strengths of international currencies.

Because capital growth is paramount in the objectives of Scottish World Growth units, yields will probably be low.

The estimated yield at an offer price of 25p is 2.38%.

SCOTTISH INCOME FUND

Lower rates of personal taxation make income funds attractive to many private investors: but yields have steadily fallen as the share prices have risen on the world's stockmarkets. This fund aims at high yields, notwithstanding those prices.

Specifically, we aim at a 6.5 percent yield in this first year, which would beat the FT All Share Index yield by some 40 percent, and advance to higher distributions in later years.

Although income is *the* objective (we shall make quarterly distributions), we expect to achieve capital growth as well.

The portfolio will be primarily orientated to equities but international bonds may be held from time to time.

The estimated yield at an offer price of 25p is 5.08%.

HOW TO INVEST

To invest fill in the Application Form below and send it with your remittance to reach the Managers by 30th September, 1983. Applications received by that date for upto £2,500 will receive a bonus of 1% extra units alloted. Applications over £2,500 will receive a 2% bonus. Minimum initial investment is £500 per Fund.

GENERAL INFORMATION

The Funds are authorised by the Department of Trade. Applications and cheques will be acknowledged. Certificates will be posted within 42 days of the close of offer.

An initial charge not exceeding 5 percent is included in the sale price of units, out of which remuneration is paid to qualified intermediaries. Rates available on request.

The management charge will be fixed initially at one percent (plus VAT) per annum for each of the Funds with the exception of Scottish Income Fund where the management charge will be fixed initially at ¾ of one percent (plus VAT) per annum. This management charge will be deducted from the gross income of the fund or the capital thereof.

Bid and offer prices and the gross yield will be quoted daily and published in the Financial Times. Net income may be reinvested at the offer price on the distribution date.

Distribution will be made as follows:–
Scottish Pacific Fund – Annually on 31st July, commencing 31st July, 1984.
Scottish North American Fund – Annually on 31st July, commencing 31st July, 1984.
Scottish World Growth Fund – Half yearly on 30th June and 31st December, commencing on 31st December, 1984.
Scottish Income Fund – Quarterly on 31st March, 30th June, 30th September and 31st December, commencing on 31st December, 1983.
Trustee: General Accident and Life Assurance Corporation plc, Estate House, 66 Gresham Street, London EC2V 7DH. Telephone: 01-606 1030.
Managers: Scottish Unit Managers Limited, Reg. Office: 29 Charlotte Square, Edinburgh EH2 4HA. Telephone: 031-225 3811/031-226 4372. Telex: 72505 MCCO G. Registered in Scotland No. 83537.

APPLICATION FORM

To: Scottish Unit Managers Limited, 29 Charlotte Square, Edinburgh EH2 4HA. Telephone: 031-225 3811/031-226 4372.

I/we enclose a cheque for £_______ (minimum investment £500 per fund) payable to Scottish Unit Managers Limited for purchase of units. Please tick box(es) below indicating your choice of Fund(s) and the amount to be invested per Fund.

Scottish Pacific Fund	☐	£_______
Scottish North American Fund	☐	£_______
Scottish World Growth Fund	☐	£_______
Scottish Income Fund	☐	£_______

Please tick box if you wish net income reinvested ☐

I am/we are over 18. Please use BLOCK CAPITALS.

Surname Mr/Mrs/Miss/Ms/Title_______________
Forenames_______________
Address_______________
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Postcode_______________
Signature(s)_______________ F.T. 3/9'83

In the case of joint applications, all applicants should sign and print their names and addresses on a separate piece of paper.

This offer is not open to Residents of the Republic of Ireland.

SCOTTISH UNIT MANAGERS LIMITED

Take it with you when you go.

Resident Abroad is Britain's monthly magazine for people living or working overseas.

It advises and informs on all aspects of finance and business, with articles on UK and foreign investment, property, pensions and insurance.

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CAPITAL TRANSFER TAX

Bark but no bite—if you draw its teeth

In the first of three articles Clive Wolman describes a mass-produced avoidance scheme

That's from my 97th discretionary trust

"SO YOU THINK you needn't worry about capital transfer tax with only a house, contents and a few odds and ends to pass on to your wife and children—well, you're wrong. The taxman is going to snap up a major chunk of your wealth when you've gone, unless you act now, while you're still relatively young.

"I've brought along with me a couple of simple little schemes that are just right for you. They allow you to invest your money with us, so that it's safe from the taxman forever.

"You say you'll need a regular income from your wealth?—No problems, we can arrange that.

"You say you might need to call on the capital you put into our scheme? No problems, we can arrange for you to draw out the money whenever you want with no tax to pay.

"In the meantime, our highly skilled team of professional investors will manage your money, so that it will make more for you and your children."

Such is the patter of the salesmen spearheading the new-style tax avoidance schemes that have emerged on the mass market as a major force over the last 18 months. Clients have put nearly £1bn, brokers estimate, into these so-called "inheritance trusts" which are now being marketed vigorously by life assurance companies.

But the old professionals in the tax loophole-spotting game, the accountants and the solicitors, have been launching a counterattack.

Even a London stockbroking firm, Capel-Cure Myers, sent out a brief to its clients last week condemning the inheritance trusts as "pretty useless and more effective in providing commission for the insurance broker than protection for the client."

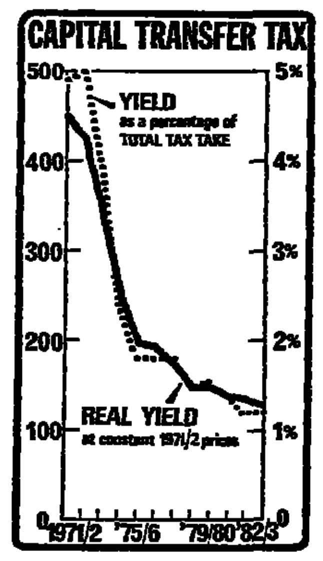
Through most of the history of estate duty, since it was introduced 89 years ago, the capital tax avoiders specialised in protecting, with remarkable efficiency, the great landed estates of the aristocracy. Even today, for example, the sixth Duke of Westminster is worth an estimated £600m to £1,000m, thanks mainly to his Central London estates which were acquired in the 17th century, and preserved after a series of court battles with the Inland Revenue.

But with a generation of new owner-occupiers, both rich and not so rich, now approaching the age of retirement, capital transfer tax represents a threat to a widening stratum of the population. It starts to bite on estates worth more than £60,000.

For most however it is a threat which need not materialise, provided they follow in the well-trodden steps of the landed gentry. Over the past 10 years, the amount of money collected by the Inland Revenue from CTT and its predecessor, estate duty, has fallen, even in nominal terms not allowing for inflation. As a proportion of the total taxes collected or the amount of wealth left on death, the yield from estate duty and CTT has fallen off dramatically (see graph).

The former Chancellor, Mr Denis Healey, before introducing CTT nine years ago, may have spoken of "squeezing the rich until the pips squeak." But the chief beneficiaries of his reforms have not been the Inland Revenue but the tax experts.

And since the concessions introduced by the Tory Government in the 1981 Budget, the experts have turned their attentions to designing and selling off-the-peg schemes for the general public.



Inheritance trusts are designed to make full use of the annual exemption from capital transfer tax of gifts of up to £3,000 and the 10-yearly exemption of £60,000. Most folk are reluctant to exploit these exemptions by giving away their wealth gradually—until death is staring them in the face, and by then it's often too late. They fear they may need the money in an emergency and may not yet have decided who should ultimately receive their wealth.

The solution is to use a device dreamt up by our forefathers some 700 years ago as a means of avoiding feudal dues. The idea is to transfer money out of your estate into an entity called a trust, which is controlled and administered by trustees—who happen to be yourself and, where possible, your spouse.

In its purest form, the discretionary trust, the trustees have the power to pay out both the income and the capital in the trust whenever they want, to whomever they want, even to the original donor. However, such a transparently artificial device incurred the wrath of the Labour government and they introduced a method of taxing discretionary trusts.

But Mr Healey did not seek to tax those trusts whose deeds specify precisely what proportions of the property in the trust belong to whom. In fact he introduced a concession allowing the trustees of such trusts to give back the property to the original donor, without any tax penalty.

These are the type of trusts now being marketed by the insurance companies.

They are also designed to exploit a major concession in the 1981 budget, which allows a donor to make an interest-free loan to the trust, free of any liability to CTT. Particularly in times of inflation, an interest-free loan may be almost as good as a gift—and before 1981 such a loan was liable to CTT.

In addition to making a gift to the trust to use up your yearly and 10-yearly exemptions therefore, you can also make an interest-free loan. This money is invested so that the interest and capital gains accumulate outside your estate. The loan may be repaid gradually to provide you with an income.

Another variation is for the trustees to make loans back to the donor. The donor may transfer money to the trust, thus making immediate use of his annual and 10-yearly exemptions. However, he may then receive most of the money back as a loan.

Two of the life assurance companies, Equity and Law and Schroder Life, allow both methods to be used, according to a survey recently carried out by the Cheshire investment advisory company, Investment Planning, Analysis and Management. Hambro Life allows only the loan-back from the trustees, while the other companies—19 responded to the IPAM survey—allow only a loan to the trustees.

What is common to all the schemes is that the monies placed with the trust, both gifts and loans, are invested in a bond which is managed as part of a fund by the insurance company. The use of a bond is necessary to avoid the accrual of income to the trust which would be taxed at a rate of 45 per cent.

However, it usually means that the individual loses control over the investment of his money, although all the companies allow switching between different funds. Trident Life however allows individual discretion through its personal bonds. Another disadvantage is that a management fee is charged, normally ¾ per cent per year, in addition to an initial fee to cover commissions which normally amount to over 5 per cent of the money placed in the trust.

The other criticisms levelled against the inheritance trusts are, in summary, that their small print is sometimes carelessly drafted, that they do not take sufficient account of individual circumstances, that they are not flexible enough if those circumstances change and that, because of their size and the tax loss they now represent, they are liable to attack from the Inland Revenue.

The critics of inheritance trusts prefer other methods of avoiding CTT. These include the use of a combination of pure endowment and term policies and a return to the supposedly discredited discretionary trust.

City accountants Neville Russell, among the most loyal of discretionary trust supporters, mitigate the tax charges on discretionary trusts by dividing their clients' property between lots of little trusts. For one client they have set up a battery of 100 mini-trusts and have programmed their computer to produce the accounts of each automatically.

NEXT WEEK: An evaluation of the inheritance trust and alternative CTT avoidance schemes.

BUT DO YOU KNOW WHEN TO SELL?

In the past year or two, frankly, it has not been too difficult to buy shares that go up. But buying the right share at the right price is only half the secret of successful investment—a profit is not a profit until it is in the bank. Peter Welham, editor of the THROGMORTON NEWSLETTER, has been dispensing sound investment advice for nearly 20 years. His "When to Sell Shares" is free to all subscribers to the THROGMORTON NEWSLETTER, part of a regular series of Investment Notes which build up into a complete course in investment. And, of course, there are well-researched recommendations, like London and Northern, recommended earlier this year. On July 3, after his recommendation had effectively more than doubled, Peter Welham recommended switching into TACE at 72p. Within weeks TACE had climbed to 170p for a profit of 482 per cent in less than four months.

For a FREE copy of the September THROGMORTON NEWSLETTER send a stamped, addressed foolscap envelope with the coupon below:

To Throgmorton Newsletter, 110 Arthur Road, London SW19 8AA
Yes, please send me a FREE copy of your September issue. I enclose an SAE.

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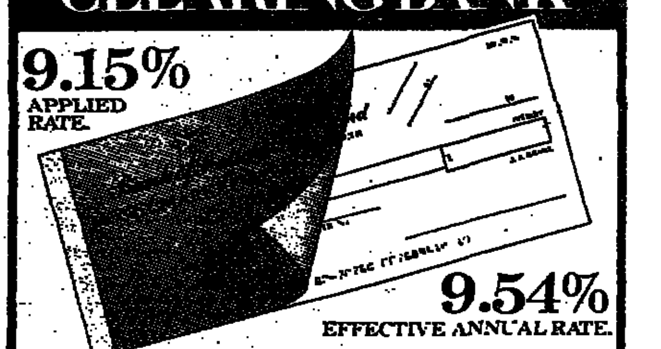

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Invest now in a fund which holds investments in companies operating in these vital sectors.

LAWSON AUSTRALIAN & PACIFIC FUND

aims exclusively at capital growth by investing in the Australian and Pacific regions, including the West Coast of Canada and America. The Fund is currently heavily invested in speculative mining stocks, being the sector the Managers favour at present. Rises in prices in this sector could be dramatic and, because the risk is high, we suggest only a modest investment to be made now.

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Until Friday 9th September, 1983.

Estimated Gross Annual Yield 0.58%.
The Managers reserve the right to close this offer if the current price has risen by more than 2½% from the fixed price and Units will be allocated thereafter at the current price. During an offer units may be bought and sold daily—otherwise on Thursdays. A wider range trustee security authorised by the Department of Trade. The price and the income can go down as well as up. An initial charge of 5% is included in the price. A monthly fee of 0.125% + VAT is deducted from income. The Trust Deed contains provision for the managers to take power to write or purchase traded call options on behalf of the Trust and to purchase traded put options.
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FREE PRIZE DRAW WIN £1000

How to turn £500 into £2,150 on the Stock Market in just six weeks

"Early every Thursday morning a small number of extremely well informed investors quietly snap up whatever is available of certain shares.

They act with speed and total confidence. Within days (sometimes even hours) they have reaped huge profits.

For example, on 22nd December 1982 against the advice of many experienced brokers, these investors bought Samson Exploration at 12p.

On 2nd February 1983 they sold their shares for 52p each.

If you had invested £500 at the same time you would have made £2,150 in just 42 days.

This is by no means the best example of their investment successes.

The secret of investment success

The only way to make a killing on the Stock Market is to have reliable advice and the ability to move fast, before the word gets round and prices rocket.

Every Wednesday evening Stock Market Confidential is posted first class to all our subscribers. In it we make comprehensive buying and selling recommendations, offer sound investment analysis and, most important of all, suggest three 'hot tips' for the week.

If you haven't acted on our 'hot tips' by Thursday lunchtime you've missed the boat—other SMC subscribers will have already pushed prices up.

What to buy and when to sell

If you look at the SMC Growth Record for 82/3 shown you'll notice that we aren't shy to include all our losses. This is because what few there have been hardly affect our staggering overall success rate of 80%.

One reason for this success has been that we not only tell you what to buy—but also when to sell.

In fact the average holding period is only thirteen weeks which means you can maximise profits and minimise losses.

Our subscribers can boast some of the healthiest portfolios anywhere with fast in and out profits, and quick capital gains."

Malcolm Craig

Malcolm Craig
Editor-in-Chief

WHY YOU CAN ACT WITH SUCH CONFIDENCE

The Editor of Stock Market Confidential is Malcolm Craig, if you're a major investor or a professional stockbroker you're likely to know him personally.

Otherwise you may have read him in the financial press, or one of his highly respected investment books.

What you probably didn't know is that each week he chairs a private meeting of the SMC Board of Advisors. Together these financial specialists pool information, validate sources, and discuss the latest City whispers. At the end of the meeting they have chosen the USM 'tip of the week' and three other of the hottest tips.

We guarantee that none of these tips will be leaked by the Editorial Board, or published, except in SMC.

Which means you can act with total confidence each Thursday morning.

SMC Growth Record 82/3
Top Performing Share: Security Tag Systems: +640%
Average Growth Per 'Hot Tip' (including losses): +33.47%
Average holding period: 13.4 weeks

SMC Weekly Contents:
* Three 'Hot Tips'—act by Thursday lunchtime before other subscribers push up the prices.
* USM Tip of the Week—aimed at fast in and out profits.
* Comprehensive investment analysis including gold, building societies and gilts.
* Valuable inside information for long term capital growth.

SMC is a four-page weekly news sheet available by private subscription.

FREE! £1000 PRIZE DRAW

Everyone is welcome to enter our Free Prize Draw. All you have to do is tick the appropriate box on the application form below and return it to us by September 30th 1983.

On Wednesday October 5th, if you're the winner, you'll receive £600 to spend or invest as you please.

We'd suggest you invest it evenly across our "Hot Tips" for that week. Because, if you do, and your £600 of shares aren't worth £1000 by November 4th, we'll make up the difference in cash. That's right, we're so confident that our advice is sound we believe that £600 will be worth £1000 in just four weeks.

Everyone is welcome to enter the FREE Prize Draw. No purchase is necessary.

FREE BOOK FOR FIRST-TIME SUBSCRIBERS

SMC was originally published to help only experienced investors.

But it's of equal value to first-timers. If you have never invested in the Stock Market before we'll send you a free book: "How the Stock Exchange Works", to help you squeeze the maximum profit from SMC.

HOT TIP HOTLINE

In case you're away from home on a Thursday morning, or the first post is delayed, we supply you with a private 'Hot Tip Hotline' phone number, so that you can hear a summary of that weeks SMC.

FREE! SIX TRIAL ISSUES

Return the completed banker's order below and we'll rush you the next six issues of SMC absolutely free.

So you can profit from our experts' invaluable advice for six whole weeks at no cost to yourself.

If you're not convinced that the vital information which SMC contains is worth £144 a year just write to your bank and cancel your application order before the date shown.

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In addition to six free issues you can also receive your first year's subscription to SMC at half price if you order before September 13th.

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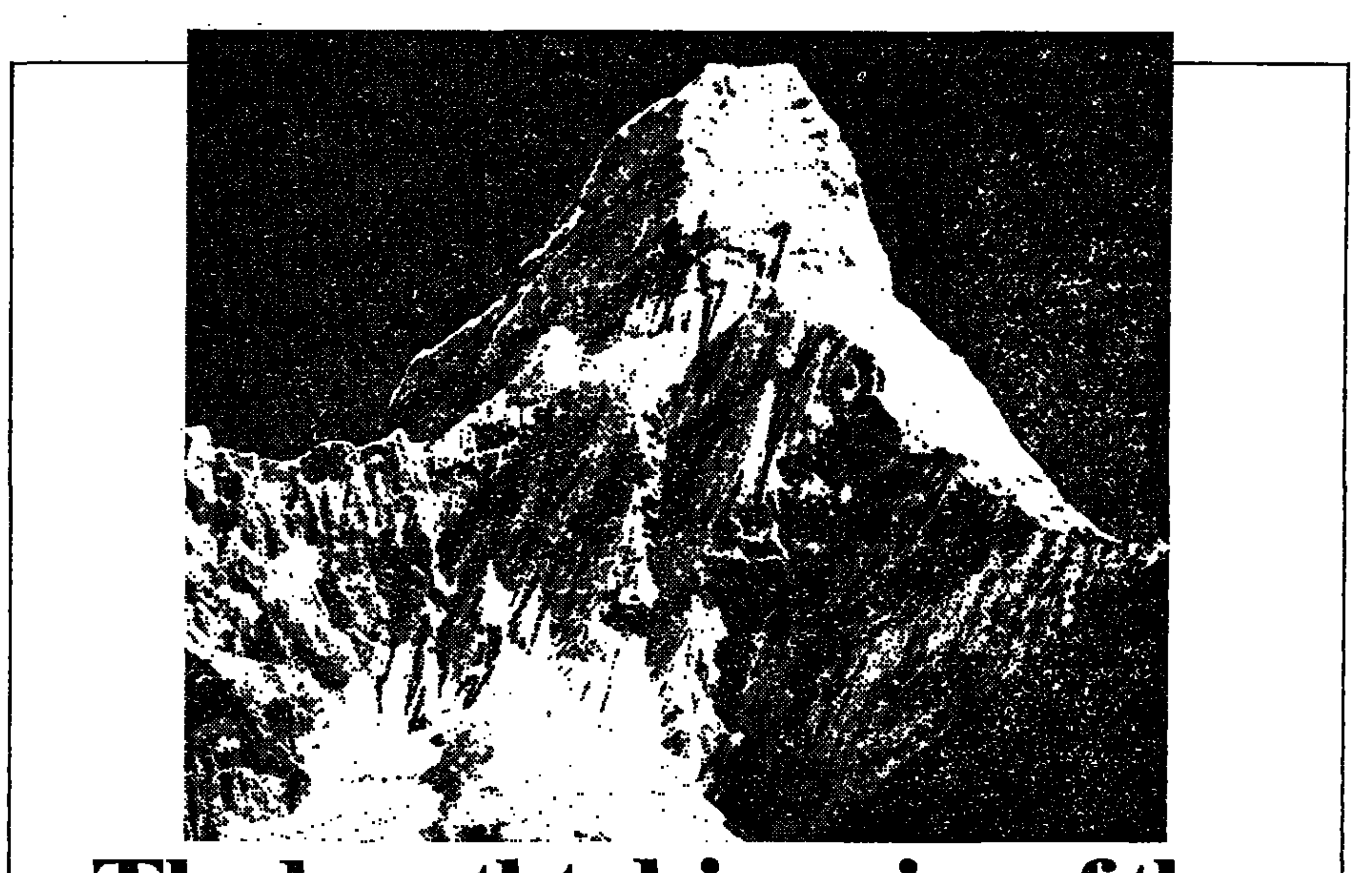


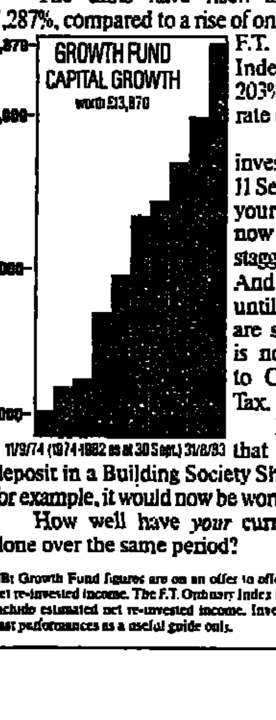
The breathtaking rise of the Perpetual Group Growth Fund.

Out performing all authorised unit trusts for capital growth–1,287% in 9 years

£1,000 invested in 1974 would now be worth £13,870

The Perpetual Group Growth Fund has out performed all authorised unit trusts for capital growth over the period since it was launched on 11 September 1974, to 31 August 1983.

The units have risen an impressive 1,287%, compared to a rise of only 385% in the F.T. Ordinary Index, and the 203% rise in the rate of inflation.



If you had invested £1,000 on 11 September 1974, your units would now be worth a staggering £13,870. And remember, until these units are sold, there is no liability to Capital Gains Tax.

If you had put that £1,000 on deposit in a Building Society Share Account, for example, it would now be worth only £2,010.

How well have *your* current holdings done over the same period?

NB: Growth Fund figures are on an offer to offer basis and include net re-invested income. The F.T. Ordinary Index has been adjusted to include estimated net re-invested income. Investors should accept past performances as a useful guide only.

Perpetual Britain's Fast Growing Unit Trust Managers

In the past four years, the funds managed by Perpetual have grown more than 10 fold. Perpetual currently manages three highly successful UK based funds – the Growth Fund, the Income Fund, and the Worldwide Recovery Fund. Although based on the same international investment philosophy each Fund has it's own distinctive character and offers either excellent prospects of capital growth, or an above average income coupled with prospects for capital growth. The Worldwide Recovery Fund is an exciting portfolio of risk and reward.

The Growth Fund and Worldwide Recovery Fund are ideal for those investors who wish to expose their portfolio to international potential so as to provide prospects for greater capital growth.

Perpetual now has approaching £70,000,000 of funds under management invested worldwide.

SUNDAY TELEGRAPH
"...and, among the smaller groups, Perpetual continues to show its staying power in achieving a consistently above-average performance..." 2/1/83

The Successful Philosophy

Perpetual invest internationally in whatever country, sector of industry or commerce, and in whatever companies the Fund Managers consider offer the greatest potential for capital growth.

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Perpetual Group Growth Fund

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They're selling off the old school tie

WHAT ARE called "redundant educational buildings"—small village schoolrooms, boarding schools and teachers' training colleges—are still in demand for conversion to flats, houses or workshops.

For developers, particularly, a complex of school buildings divide up well into a number of units, whether as flats, houses or offices.

Schools are extremely sought after properties, many agents around the country agree, pointing out that most of the school buildings were solidly constructed to withstand the ravages of the pupils and built on land in a central location it would be hard to come by now.

And with falling rolls, there has always been an intermittent trickle of redundant schools coming up for sale, either because of their age or lack of up-to-date facilities: and with more educational cut-backs the number is on the increase.

Large training colleges which have changed hands recently include the one at Roffey Place, Faygate near Horsham, Sussex, sold to the Bethany Fellowship at around £580,000 through Weller Eggar and John D. Wood, and one in Tadworth, Surrey, went for in the region of 450,000 through Knight Frank and Rutley.

While Bedford College in Regent's Park, which is to merge with Royal Holloway College at Egham, Surrey, is being sold off through Hillier Parker May and Rowden.

Small schools in the rough do come up from time to time. A Victorian school near Carnforth, Lancashire, with planning permission for conversion to residential use, sold recently on offers in excess of £15,000 through David Heathcote of Preston.

Parsonage House, Goosey (the name originates from the time the monks at Abingdon took their geese to the village to graze), is a good-sized Victorian school already converted to four bedrooms, three bathroom accommodation: but there is a studio annexe for further conversion, and both are for sale at £85,000 through Angela Moland, Buckell and Ballard, 1 and 2 Market Place, Wantage, Oxfordshire (02357 3611).

Studying what is being done on various redundant school buildings gives an idea of what the finished product will look like, whether there is living accommodation or not.

A red-brick Norman Shaw-style school which doubled as a village hall in Bolsover, Derbyshire, with six classrooms down either side of a central hall covered by a hammer-beam roof, empty and vandalised since 1974, is being rehabilitated to provide a sports hall and leisure centre: the 1848 schoolhouse in Tottenham Lane, Crouch End, North London redundant in 1934, has been saved to provide a headquarters for the Hornsey Historical Society while the Old Blue School, Lower Square, Isleworth, Middlesex, is refurbished as offices by period specialists Speyhawk.

Marchant Lane Restorations of Petworth, Sussex, has renovated the Old School, Bramshott, Hampshire, part of which back dates from the 15th century, and it is now for sale at £79,950, complete with inglenook and exposed beams, carefully preserved. Roger Warrington, Pearsons, 112 West Street, Farnham, Surrey is the agent, and he will be handling the sale of the two homes being made in the school itself, which should be ready in October.

Hunting Gate Homes has just received planning permission for the residential development of part of the former Mater Dei Convent and school on a prime site in Welwyn Garden City, Herts. The convent buildings have been sold to a religious movement, Focolare, and the school buildings are to be demolished to make way for 39 units—two bedroom houses, one bedroom and studio flats, and bungalows.

Howards of Howardsgate, Welwyn, acted for Hunting Gate in the deal, and are the agents for the development.

The conversion into apartments of the turn-of-the-century state school now called The Bow Brook, Mace Street, Roman Road, Bow, London, E.2, partly overlooking the Grand Canal, has been a great success.

Keith Preston, managing director of Kentish Homes in Borehamwood, Hertfordshire (a member of The Consolidated Finance Holdings group), the company carrying out the work, says he was amazed at the response, which has been mainly from people working in the City, particularly doctors and social workers.

The company has allowed the shape and size of the classrooms and the main steel structure beams to dictate the design of the two-bedroom apartments, some of which have high-ceilinged living-rooms with the original iron roof trusses and a galleried dining room.

The 12 units in the first phase at prices from £30,000 to £35,000, sold within 24 hours: there are one or two available around £35,950 in the present phase.

Brochure from Tom Mulligan, Alan Selby and Partners, 19 Lower Clapton Road, E.5 (01-986 9431), who also has a few apartments left from £32,950 in the Secureharp development, The Minstrels, formerly the Teesdale School, just around the corner.

Until 1978 the College of Sarum St Michael, a complex of old and new buildings, was operating as a teacher's training establishment in the cloistered calm of Salisbury's historic Close whose 14th century gatehouse is locked each night. (Each resident has a key.)

After the college closed, three of the buildings were bought by Wimpey Homes to convert into 72 apartments, which I saw in the first phase some time back, and at last the work is practically complete.

The 13 one- and two-bedroom units left are from around £47,500 to £60,000 for a 125-year lease which includes fishing rights on the Avon, and in some cases a view of the cathedral.

In the main, buyers are moving from large country houses who want something more manageable, and expatriates returning home who want the authentic flavour of English country life in a cathedral city.

Brochure from Sandra Bone at the show apartment, open seven days a week 10 am-5 pm, or telephone 0722 3378885.

In Dorset, at Wimborne, opposite the Minster, the handsome listed Queen Elizabeth Court, Grammar School Lane, has been developed into nine town houses by local builder Simon Elliot's company, Shelben, with Plinke, Leaman and Browning as architects.

There has been a school on the site since 1496 when it was founded by the Countess of Richmond and Derby, mother of Henry VII, and granted a Royal Charter by Queen Elizabeth I in 1563. The present building in red brick and Bath stone was completed in 1851 by Morris and Ebson, and remained the main educational centre in the area until five years ago when the school moved to Pamphill.

Each of the two- and four-bedroom houses is set round an internal courtyard created to retain the collegiate atmosphere, and are named after headmasters—from Mays (1822-1848) to Neil (1951-1968).

Five of the houses have been sold (one to a retired headmaster), three are reserved, and Fynes House, which contains the head teacher's sitting-room, is for sale at £55,000 through Alan Cosgrove, Welsh and Lock, 11 The Square, Wimbourne.

June Field

Wimpey Homes' conversion of the Sarum St Michael College into 72 flats within Salisbury Cathedral Close with its 14th century gatehouse.

Queen Elizabeth Court, Grammar School Lane, Wimborne, Dorset, two hours drive to London via Winchester (M27) and the M3, has been converted to nine houses of which five have been sold and three reserved. The remaining one is for sale at £55,000 for a 999-year lease. Details Alan Cosgrove, Welsh and Lock, 11 The Square, Wimborne (0202 882224).

CHESS

LEONARD BARDEN

IT SHOULDN'T be long now before a British chessplayer achieves the landmark of a 2600 world rating, the level of the so-called "super-grandmaster" class of potential challengers to Karpov and Kasparov.

Ratings are computer-calculated from all major tournament results and published by FIDE, the International Chess Federation, every six months.

There are always fewer than 20 men at the 2600 level. Beyond that 2650 stamps a player as a definite world title candidate, while 2700 or above has been achieved only by the likes of Fischer, Botvinnik and Karpov.

The latest FIDE list issued in July showed Britain's leading pair John Nunn and Tony Miles respectively at 2590 and 2585, but the calculations omitted Miles's good result earlier in the year at Linares. In late July both Miles and Nunn surpassed the 2600 barrier at Biel, Switzerland, where they shared first prize, and they kept up their good form at an international in Norway last month.

Nunn was joint winner with Browne (U.S.) and Adorjan (Hungary), with Miles half a point behind. Once again the British GM pair achieved 2600 results, while in contrast ex-world champion Boris Spassky could manage only a mediocre 50 per cent score.

This week Miles is participating at Niksic, Yugoslavia in what is billed as the strongest tournament of 1983. Kasparov is there, along with ex-world champions Spassky, Tal and Petrosian.

Meanwhile Nunn was among the leaders in the annual Lloyds Bank international at the Park Lane Hotel, London.

There he played the win below which took his recent unbeaten series to more than 60 competitive games, and edged him nearer the 2600 target.

Of course in one sense 2600 is just a number which cannot influence a player's decision to take a pawn or sacrifice a bishop; but our GMs have been close to it now for so long that it has assumed the symbolic status of the four-minute mile.

Once Miles or Nunn becomes a 2600 man, it will not take the other long to match him while the psychological path will become easier for Mestel, Chandler and Short who are also capable of the chess heights.

Something very similar happened in British chess a decade ago when none of our players was even a grandmaster. Then Jim Slater made his generous offer of awards totalling £15,000 for the first five British GMs, and within two years Miles was a GM while others were set to follow him.

Now a 2600 rating presents the penultimate hurdle before the world title itself.

White: Dr J. D. M. Nunn (England). Black: I. Rogers (Australia). Centre Counter (Lloyds Bank 1983).

1 P-K4, P-Q4; 2 PxP, QxP; 3 N-QB3, Q-QR4.

This offbeat defence has attracted recent interest due to a series of articles advocating it in the magazine "Chess." Essentially such an early queen excursion is dubious, and White gains an advantage by active piece development.

4 P-Q4, N-KB3; 5 N-B3, P-B3; 6 B-QB4, B-N5.

Setting a trap (7 BxP ch? KxB; 8 N-K5ch, QxN ch) but the bishop is less exposed at KB4.

7 P-KR3, B-R4; 8 B-Q2, Q-N3; 9 P-KN4, B-N3; 10 Q-K2, QN-Q2; 11 0-0-0, 0-0-0; 12 N-K5, P-K3; 13 P-KR4!

The key to White's strategy. Nunn exploits Black's loss of time with queen and bishop by a forcing gambit to open up the king.

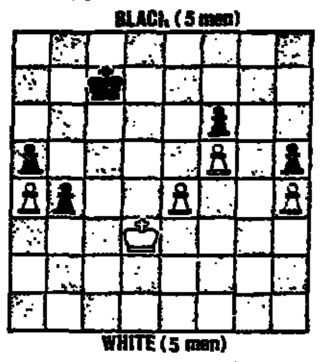
13 . . . QxQP; 14 NxN, RxN; 15 P-R5, B-K5; 16 B-K3, Q-K4; 17 RxR, KxR; 18 P-B4, Q-R4; 19 NxB, NxN; 20 B-Q4, N-Q3; 21 R-Q1, K-B2; 22 P-R6! NxB; 23 QxN.

Establishing a passed pawn on the seventh which quickly settles the result. If 23 . . . P-B3; 24 QxKP,PxP; 25 BxBP wins a rook.

23 . . . B-Q3; 24 B-B3, Q-QN4; 25 PxP, R-KN1; 26 Q-K4, R-Q1; 27 B-B6, R-KN1; 28 P-R4, Q-R3; 29 B-K5, BxB; 30 QxB ch, K-B1; 31 Q-Q6, QxP; 32 Q-B8 ch, K-B2; 33 QxR, Resigns.

POSITION No. 480

BLACK (5 men)



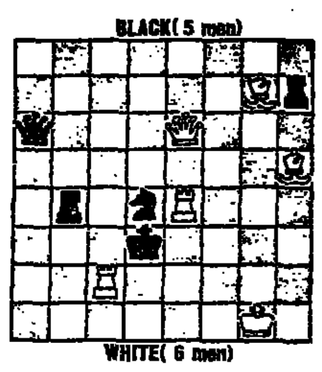
WHITE (5 men)

Seirawan (U.S.) v Kasparov (USSR), Niksic 1983

Twenty-year-old Kasparov, the centre of the current world title semi-final dispute, has begun with a brilliant 3½/4 in the strongest international of 1983. His next move as Black in this apparently drawn endgame forced a win. What did Kasparov play?

PROBLEM No. 480

BLACK (5 men)



WHITE (6 men)

White mates in four moves at latest against any defence (by Sam Loyd, 1856). Loyd, best-known of all chess puzzle composers, created this at age 15. Most unusually for a problem, every white move is a check.

Solutions Page 12

THE PROPERTY PAGE

Every Saturday the Financial Times presents the Residential Property Page and that's appropriate because just as Saturday is the ideal house-hunting day, the FT is an ideal medium for Residential Property.

Here are some reasons why. The FT Saturday Property Page has a large proportion of readers with high incomes. Their mortgage problems are minimal. They're property conscious both in terms of prestige and investment and they're people who won't waste your time, or their own.

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TRAVEL

LAILAN YOUNG

BARBADIANS ENJOY name-dropping. "Ronald Reagan worshipped in this church." "Claudette Colbert lives here." "Harry Belafonte made *Island in the Sun* in this great house; Oliver Messel and George Washington liked it here . . ."

As a tourist to Barbados you, too, could qualify for the island's VIP treatment and clink glasses at a top tourists' reception given by moonlight at Ilaro Court, the official residence of the Prime Minister. The trick is to make yourself known to your hotel management as someone who is, if not actually the president of a corporation or a titled aristocrat, at least both willing and able to cope with the prices he charges. For it is the hotel managers who nominate those who are to receive the invitations.

If you can't make the top people's party there will certainly be steel bands, jump ups, goat races and an invitation from your hotel management to a cocktail party at the hotel poolside. But to enjoy Barbados fully you should hire a Moke or take a taxi to escape from the hotel cocoon. This way you quickly catch the island's friendly atmosphere, and you will notice that local drivers acknowledge passing friends by tooting their horns but for the police a respectful wave.

In lovely, shabby old Speightstown tubby-tummied, bandy-legged ladies tote huge mahogany trays piled high with citrus fruits, yams, sweetcorn, ochras and peppers on their heads. The lady who sold me a paw-paw told me her husband would never carry such a heavy load: "No man's strong enough," she said.

It was in Speightstown that I bought by first duty-free item — a sunhat from Shanghai, but it's to thet line of old-fashioned shops in Broad Street in Bridgetown that long-stay tourists and day trippers off the cruise liners hurry. Da Costa's is exceptional for here you can actually try on Marks and Spencer's most intimate apparel. In the Advocate bookshop copies of *Woman's Journal* nestled up to *Muscle Digest*, *Macho Menswear* and *Muscular Development*. Markie's Jewellery Repairs announced: "We are unable to accept any more repairs due to an influx of work."

The shops sell European china, cashmeres and the usual French perfumes and liqueurs, but with our curmudgeonly £28 limit it's the Americans and Canadians who benefit.

The town museum, once a military prison, is the venue for the splendid dinner-dance show —*1627 and All That*—a colourful and exuberant evening of rum punches, buffet dinner and the history of Barbados portrayed by the Barbados Dance Theatre all for B$58. For museum visitors more accustomed to taking their time over dusty showcases, the museum has bits and bobs that will interest everyone. There are sections devoted to Neolithic remains, the Bristol link with the slave trade, Royal events, and Barbados rum and sugar mills. The fish section gives you the chance to examine the sharp teeth of the barracudas and the spikes of the incredibly spiky sea porcupines.

Fish tastes superb in Barbados, best of all the flying fish and the dolphin ("no relation to Flipper," as the menu at the Brown Sugar restaurant in Bridgetown reassuringly explains). Oistins fish market, near the airport, has almost as wide a choice as the museum, and self-caterers should try snapper, grunt and porgy.

Less bold, I did find three restaurants I can recommend. The Flamboyant, in an 80-year-old house, serves pan-fried flying fish and is handy for the Garrison race track, where the clubby atmosphere is shared by the horses, most of which have evidently met often before.

Brown Sugar restaurant does a super buffet lunch, and not to be missed are the lobster, fried chicken legs and the appropriately named come-back sauce: B$56 for two, plus drinks.

When the rum punches bring on lassitude, the bracing Atlantic spray and breeze of the east coast will clear the senses and lunch on the open balcony of the Atlantis is memorable with two of us devouring flying and king fish, sweet potatoes and pickled bananas, fried plantain, pumpkin fritters and pigeon peas, tasty coconut cake and four beers for B$46. People cross the island for the Sunday lunches when the pepper pot of oxtail, cows' heels and spices is the highlight. On the beach below the Atlantis children bounce stones across the sea and throw down bumpers against wickets of broken fish boxes, but at three o'clock everyone congregates on the beach at nearby Bathsheba to welcome back the fishing boats.

I find the terrain of Barbados undramatic, but with quiet charm: the ruined country house at Farley Hill, the sugar plantation houses of Villa Nova and the 17th century St Nicholas Abbey with black bellied sheep, easily mistaken for goats, grazing its grounds. An egret flew over St John's parish church, which commands a fine Atlantic view, while back in Bridgetown sombre-suited men and women in black garments relieved by bright lace and frills gathered at St Michael's cathedral for Sunday service.

The local blackbird, the grackle, says "Time for tea" to British ears, but French-speaking Canadians swear it's more like "Qu'est-ce qu'on dit?" Either way, it's cheeky and has beady eyes, and steals food from your hotel plate or picnic table at the island's most lushly vegetated ravine at Welchman Hall Gully.

Of those hotels I visited the most lavish were the Sandy Lane (expensive) and Glitter Bay which, though stylish and crammed with Americans, introduced me to a completely new form of hotel night life: black worms in the carpet. One inch long and slender, they crush easily and are called Christmas worms, though mine were still there at Easter.

The best value holiday is to take an all-in package. Speedbird have one week hotel holidays with half-board from £680 and self-catering holidays from £432 for a week, inclusive of fares. They also offer a number of island hopping holidays to include Antigua, St Lucia, St Vincent and other Grenadine islands. The British Airways economy fare in low season is £316 and £324 at peak times; Club is £1,156 and First Class £1,780, all return fares.

Keep your Christmas bulbs cool

GARDENING

ARTHUR HELLYER

AT THIS time of year some bulbs are always offered for sale described as "prepared," with the intimation that they will produce flowers by Christwas or thereabouts.

There is usually a good deal of mystery about this special preparation which is not surprising as it is a fairly complex matter only fully understood by the experts who practice it.

Basically, what the bulb preparers are trying to do is to speed up changes within the bulb which would normally occur as a result of natural changes in temperature while they are at rest.

Many bulbs initiate the next lot of flowers within themselves while they are apparently lying quite dormant in the soil during the hot summer months. They have perfected a system which enables them to keep track of the seasons and they commence to form their flower buds when it is too hot for them to retain their leaves.

They continue the process in the autumn and winter, when the weather is cool and wet, and so by early spring they are poised to burst into growth and flower very quickly while conditions are most favourable for them.

The bulb preparer tries to speed up those natural changes that occur while the bulbs are apparently dormant. This he does in store rooms in which the temperature can be carefully controlled.

For a time he will keep them at quite a high temperature, followed by a lower one and then probably a change to cool conditions.

For daffodils this might mean lifting the bulbs rather early from the bulb fields and storing them for about five days at 35 deg C. Then would follow a longer period, probably until the end of July at 17 deg C with a final six weeks at 9 deg C before the bulbs are planted or potted in early September.

Tulips require rather similar treatment but for hyacinths it could be markedly different though treatment will vary from variety to variety and also according to the date at which the bulbs are required to flower.

For Christmas, flowering bulbs might be lifted in mid-June, allowed to dry in the air for a few days and then stored for a couple of weeks at the high temperature of 30 deg C.

After this could come three weeks at 25.5 deg C and then a drop to 23 deg C until the structure of the outer anthers is discernible in the top florets forming within the bulbs.

After this they will be kept at a much lower temperature, maybe 14 or 17 deg C, until they are planted during the last ten days of September.

I have explained this complex preparation at some length not because gardeners might be able to do something similar but to show how very carefully balanced it needs to be.

It can all be upset if, after preparation, the bulbs are again exposed to high temperatures. This could happen on the ships in which they are brought to Britain, in the warehouses from which they are distributed or in the shops and garden centres in which they are displayed for sale.

It can also happen after they have been bought and re-planted or potted if the greenhouse or room in which they are kept is too hot. For with daffodils, tulips and hyacinths, it is not possible to complete the process of flower initiation while the bulbs are dry.

What was started then must be completed after the bulbs have been returned to moist soil or potting compost. To do this satisfactorily they will need at least a further ten weeks in a temperature of about 9 deg C. This is far below ordinary room temperature or the temperature in dark cupboards which are often recommended as suitable places in which to start bulbs into growth.

It could be the temperature of a cellar but only old houses are likely to have these. The most satisfactory place for the bulbs is a moist plunge bed in a shady place outdoors.

This can be filled with peat, sand, perlite or anything else that is harmless to plants and and absorbent. It is the slow evaporation of water from the plunge bed that keeps it cool just as the water evaporating from the earthenware of an old-fashioned butter cooler kept the butter cool.

The bulbs can be covered with a couple of inches of the moist material to ensure that they are cool.

If the bulbs are planted in pots or other containers with drainage holes it does not matter if the plunge bed is open to the sky but if they are undrained they must be protected from rain which will otherwise flood them.

The annual amaryllis miracle

Any kind of covering can be used so long as it does not make the plunge bed any warmer. Polythene is excellent if it can be fastened securely so that it is not torn away by wind.

Not all bulbs behave in this way. Hippeastrums, which are always marketed as amaryllis perhaps because that name has a pleasenter sound, do not have any natural resting period though gardeners usually force one on them by depriving them of water in summer.

But in the wild they go on growing all the time and form flower buds after every fourth leaf, though these buds do not grow up into flowers for a long time and by then the leaves that formed them have withered to form part of the bulb.

I do not know precisely how bulb preparers have harnessed this mechanism to their needs but they have done it so successfully that hippeastrums are about the easiest of all bulbs to flower in mid winter.

All that is necessary is to buy prepared bulbs, pot them singly in the smallest pots that will contain them comfortably, water them well and then bring them straight into the greenhouse or room in which they are to flower. The huge, trumpet-shaped, red, pink, white or striped flowers are spectacular.

There is also one group of narcissi which do not conform to the normal daffodil sequence of flower bud initiation. These are the varieties, all with small flowers carried in clusters, which are derived from *Narcissus tazetta*.

They start to grow early in the autumn without any special preparation and so they can be potted directly they are available and brought straight into a greenhouse or room with normal living temperatures.

Three of the best varieties for this purpose are Paper White, all white, Soleil d'Or, yellow and orange and Cragford, white and red.

Citroën falls into line

MOTORING

STUART MARSHALL

IN THE past, Citroën cars have undoubtedly frightened off potential buyers by being too idiosyncratic. Motorists who bought the marque for the first time tended either to love them for ever, or leave them after a brief and turbulnt affair. The BX, Citroën believes, will change all that.

The company calls its styling neither avant-garde nor banal. BX has enough character, it says, to be a proper Citroën and is original without being eccentric. Citroën is confident it will win customers from the kind of buyer who had never considered a Citroën before. I believe they are right.

One doesn't have to make excuses for its looks. The BX is agreeably clean lined, sharper edged than Citroëns of the past—I exclude the corrugated iron *deux chevaux*—and really rather elegant.

Many of its components including the floor pan, engines and gearboxes, are common to other PSA group cars like the Peugeot 305 and Talbot Horizon. But its all-independent suspension with self-levelling and the fully powered brakes are unique —unless you include the Rolls-Royce Silver Spirit, which has a similar system.

When you drive the BX you realise that hydropneumatic suspension just cannot be matched for comfort over all kinds of roads. The only time it falls from grace is when a hump-backed bridge is taken at speed, which makes the tail kick-up sharply.

A range of five new BX models went into the showrooms this week priced from £4,790 for a basic one with 1,360 cc, 72 horsepower engine and four-speed gearbox to £6,100 for a five-speed, 1,580 cc, 92 horsepower TRS.

Models in between are the £4,990 BX14E (for *economique*) and BX14RE (*riche et economique*) at £5,451. These have the 1360 engine in a 72 horsepower version and 5-speed gearbox. The BX16RS (*riche et sportive*) is £5,600 and the TRS of the poshest model stands for *très riche et sportive*.

I'm not sure that any of the BXs can really be called sporting. They major on ride comfort and civilised interiors though I also found the 16 RTS exceedingly frugal of fuel. Driving, I admit, with an eye on economy and keeping to the speed limits, I obtained 46 mpg over 135 miles of mixed minor roads and motorways but was beaten by one colleague who managed 47 mpg. (I tell myself he cheated by free-wheeling down hills.)

I would not put this forward as a typical consumption, the average for all the test cars, including some that had clearly been driven flat out much of the time, was 36 mpg. The 1580 cc engine, though content to spin up to 6 000 rpm in the gears, is extraordinary flexible and pulls in fifth unprotestingly from 25 mph.

The BX is much stiffer on corners than any previous Citroën and rolls hardly at all at sensible speeds and not much if hurled round bends outrageously quickly. The all-disc brakes (standard on all models) are superb and the non-assisted steering is light for parking, accurate and responsive on winding roads. The Michelin TRX tyres are less inclined to thump than almost any others of ultra low profile.

Fear of costly servicing and repairs has been another disincentive to Citroën ownership in the past. The BX is said to require less time to be spent (and therefore lower labour charges to be incurred) on servicing than any rival, Ford Sierra and Austin Maestro included.

The hydropneumatic suspension is warranted for 60,000 miles or two years simply because it has proved to be so trouble-free on other Citroens over the past 35 years. Parts are cheap—a rear lamp cluster is £15, a front door skin £36 and a bumper £40—and there is no time consuming fiddling to replace minor components. They simply unplug like pieces of Lego.

I plan to drive a BX for an extended period soon. At the moment all I can really say is that it has impressed me more than any other car in its price class for comfort, performance and economy.

The Citroen BX16TRS, a five-door family hatchback that is class leader for ride comfort. The plastic bonnet is unscarred by a hefty blow with a hammer.

Yugo v. the West

SEEN THROUGH the bottom of an upturned glass, the Yugo 45GL looks exactly like a sawn-off Ford Fiesta XR2 and don't think that the similarity is coincidental.

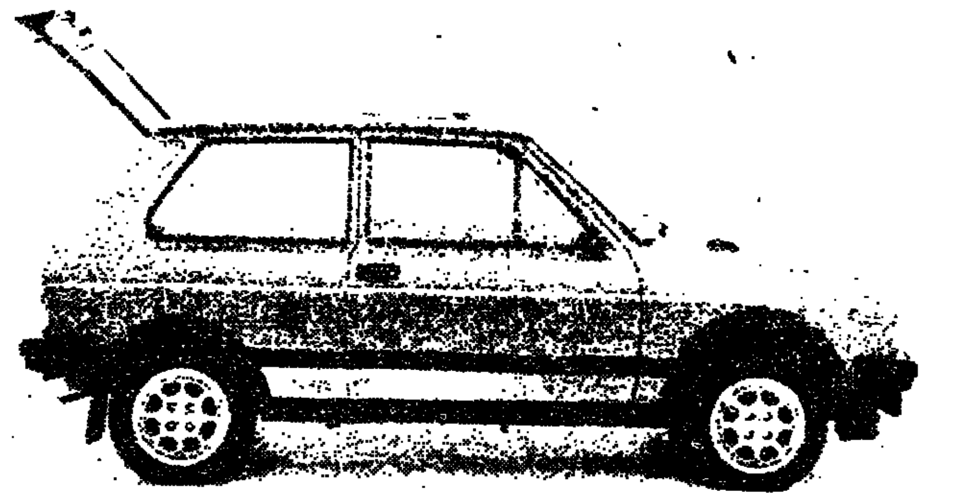
The £550 list price differential between the GL and its less glamorous Yugo 45 twin has partly gone on add-on bits to foster the impression that it is an XR2.

Things like front and rear aerodynamic aids, alloy wheels, twin foglamps and half-tone stick-on door stripes. It also has a cheap radio cassette player, digital clock, a British-made Britax glass sunroof and 70 series Dunlop tyres.

But the XR2 illusion survives only a few seconds behind the wheel. The Yugo 45 is a Fiat 127 with a perkily attractive hatchback body.

Like Skoda, they were originally in the arms business but have diversified into cars. As a Fiat 127 derivative, the Yugo is one up on all other East European cars.

It goes reasonably well. The maximum speed is over 80 mph, at which it is noisy but not unhappy, and it gets away smartly from the traffic lights. The ride is quite good, the steering better than that of any East European car I have driven before.



But the quality control standards of the Zastava factory are not those of Wolfsburg, Turin or Longbridge.

So why buy a Yugo? The obvious reason is that, like all East European cars, it is cheap. But is it? The latest issue of the AA's *Drive* magazine lists the basic Yugo 45's on-the-road price as £2,934 and that of the 45GL as £3,484. (Showroom prices excluding delivery charges and number plates are £2,749 and £3,299 respectively.)

But, in the same week as I had the Yugo on test, a friend bought a new Talbot Samba from a Kent dealer. On-the-road, taxed and with a full tank, it cost her £2,995, exactly £300 less than the official price.

I think the Samba is a nicer car than the Yugo.

BRIDGE

E. P. C. COTTER

THE BBC are planning a new series of *Grand Slam*, which is scheduled to appear on September 10. I was asked to a preview a fortnight ago, when one of the episodes was shown. This new series is better than the last one. The format is different—it is a kind of Pro-am competition. Two sides each composed of one expert pair and one pair of average players, take part in a teams-of-four match with IMP scoring.

Look first at this slam:

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              N
           ♠ A Q 8 7 2
           ♥ K 8 6 3
           ♦ Q 3
           ♣ K J
     W                  E
♠ K J 9 4          ♠ 10 6 5
♥ 2                ♥ Q 9 5
♦ 10 9 8           ♦ K J 4 2
♣ 9 8 7 5 3        ♣ Q 10 4
              S
           ♠ 3
           ♥ A J 10 7 4
           ♦ A 7 6 5
           ♣ A 6 2
```

With North-South vulnerable South dealt and bid one heart, and in one room the non-expert pair finished in four hearts, making 11 tricks. In the other room the experts reached the little slam in hearts. South bid one heart. North replied with one spade, South rebid two diamonds, and North jumped to four hearts. With three first round controls and one second round control, South saw fit to cue-bid his Ace of clubs, and North jumped to six hearts.

West led the club nine, covered by Knave, Queen, and Ace. If declarer guesses the heart position, there is no problem, but he crossed to the heart King and returned a heart to his Ace. Could he now retrieve the situation?

This is how the expert in the South seat played. At trick four he led his spade, finessed the Queen, which held, cashed the Ace, and ruffed a spade in hand. Crossing to the club King, he ruffed another spade, ruffed a club in dummy, and cashed the established eight of spades. Now dummy's last heart was led, throwing East into the lead. East was end-played, and had to lead away from his diamond King, giving South two tricks in the suit.

An excellent performance.

The second hand was not without incident.

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              N
           ♠ 10 9 4 2
           ♥ A 9
           ♦ A Q 2
           ♣ K Q J 10
     W                  E
♠ K J 8            ♠ 7 6 3
♥ Q J 10 8 6       ♥ K 7 5 4 2
♦ 7 5 4            ♦ J 9 3
♣ 8 3              ♣ 5 2
              S
           ♠ A Q 5
           ♥ 3
           ♦ K 10 8 6
           ♣ A 9 7 6 4
```

The expert South, worried about rebid problems, opened with one diamond instead of one club — an entirely unnecessary distortion. What is wrong with bidding one club and rebidding one no trump over a response of one heart? The result was that North became declarer in a contract of six clubs. This would have been defeated by an opening spade lead, but East led a trump and the contract was made.

In the other room South opened the bidding with one club, and North replied with two no trumps—the Baron two no trumps announcing a balanced hand of 16-17 points. Now the non-expert South said (in his thought-tracks) "I cannot say three diamonds, for that would constitute a reverse." This is not true. The diamond rebid shows distribution, not extra strength. This pair failed to reach the slam. South should rebid three diamonds, North says four clubs. South makes a cue bid of four spades. North says five diamonds, a grand slam try, but South has had enough, and signs off in six clubs.

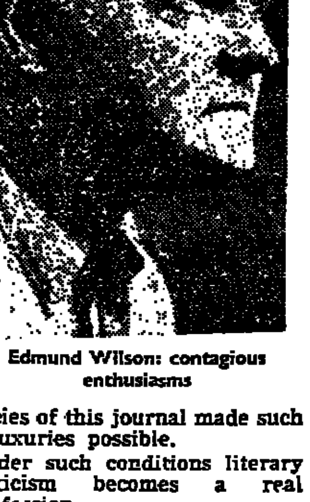
Winning West's heart Queen with the Ace, declarer draws trumps in two rounds, ruffs the heart nine, and cashes Ace, Queen, King of diamonds. He ruffs the good diamond ten in dummy, leads the spade ten, and claims his contract.

Two of a kind

/ ANTHONY CURTIS

ıe Forties
Edmund Wilson, edited with introduction by Leon Edel. ıcmillan. £14.95. 369 pages

·ril Connolly: Journal ıd Memoir
David Pryce-Jones. Collins. 2.50. 304 pages


Edmund Wilson: contagious enthusiasms

The American critic Edmund ilson kept a journal for most his life; Cyril Connolly, his itish counterpart, for only rt of his. Wilson's journals · the Twenties and Thirties ve already been published, notated by Leon Edel, who w gives the same treatment *The Forties;* David Pryce-nes performs a similar task · Connolly, prefaced by a netrating biographical sketch mprising almost half the book ıs a short epilogue.

The appearance of these two ırnals so close on each other's els prompts the reader to flect, not only upon the dif-ent personalities of these two ırnalist-critics, but also on the ferent role of the weekly ok-critic in Britain and nerica. In America he has ore importance — more tatus," if you like — and he in consequence better paid. 1943 Wilson became the New rker's regular book critic. lel gives us his terms of ıployment:

He outlines to Harold Ross what his needs were: $10,000 a year with perhaps another $3,000 in prerequisites and a considerable degree of independence to call his time his own. The enlightened policies of this journal made such luxuries possible.

Under such conditions literary criticism becomes a real profession.

It is not only that the American critic gets better fees he also gets more space to expound his views on an important book. Wilson's review of *Dr Zhivago* in the New Yorker was in the region of 10,000 words; Connolly's weekly maximum was around 1,200, after that the dreaded editorial shears come into operation. These differing conditions of work, and discrepancies of reward, may explain the besetting sins of the two nations' critics which are in sharp contrast: in America the original sin is an all-inclusive encyclopedism; in England it is a self-indulgent flippancy that never really comes to terms with the work under review. Both Wilson and Connolly avoided these perils for much of the time. Wilson avoided, too, Connolly's tiresome habit (which Mr Pryce-Jones discusses) of presenting himself as the world's greatest failure; but they had many things in common. At their best they both wrote like angels and often their enthusiasm for a neglected author proved contagious. As the journals reveal they both had a gift for descriptive prose for which the rigour of regular reviewing did not provide much of an outlet.

Connolly depicts the autumnal world of pre-war London in which he is unsuccessfully pursuing a girl known as Racy; Wilson is equally vivid reporting the shattered twilight landscape of Italy in 1945, and in giving an account of a visit then made to the philosopher Santayana.

Neither of these journals was written for publication but as a source for future work. Indeed, much of Wilson's, such as his account of his post-war visit to the poet Edna St Vincent Millay (whom he had loved in the 1920s) to discover a drink-ravaged ghost, and his observations of the dance-rituals of the Zuni Indians of New Mexico, forms the basis of works published during his lifetime. By contrast, Connolly's Journal is peppered with parodic clowning, some of it of great virtuosity ("Mr C. Congoly, a returned exile, landed yesterday near Brighton. Tasmanian papers please copy").

The more intimate stuff concerns his emotional development after leaving Eton, mainly his obsession with Bobby Longden (later Headmaster of Wellington), and Cyril's emergence at long last as a fully fledged hetero (in the parlance of the period) with a regular stint of novel-reviewing on the New Statesman, and eventually a wife, to keep him unhappy.

As for Wilson, he is often brutally frank about the slow waning of his marriage to Mary McCarthy (his third) and his passion for Elena Mumm Thornton (of the Mumm champagne family) who became the fourth Mrs Edmund Wilson and to whom he was still married when he died.

The complete honesty with which both men depict the private self represents a remarkable inward-turning of the critical gift. The patient rescue operation by the editors through which ephemeral jottings now pass into the public domain seems justified.

Sandy's model

BY BENJAMIN BUCHAN

The Man Who Was Greenmantle: A Biography of Aubrey Herbert
by Margaret Fitzherbert. John Murray. £15.00. 250 pages

Sandy Arbuthnot in *Greenmantle* is the only important character in John Buchan's fiction to be based on a single individual — Aubrey Herbert —and yet paradoxically he is the most fantastic and least believable of his characters. Now Aubrey Herbert's granddaughter (and Evelyn Waugh's daughter) has written the first biography of this legendary figure.

Soon after leaving Oxford he was attached (loosely) to the embassy in Constantinople and he fell in love with the sounds, sights, smells and intrigue of the Middle East. Skilled at languages, a daring and determined traveller, in the years before the First World War there were few remote and dangerous places in the Ottoman Empire he did not visit. In his letters the serious and the comic were often hard to separate, as when writing from Albania in 1909 he wrote of the Turks, "they keep on hanging people, and before breakfast too. It creates a bad impression all round. I feel it myself."

In England Aubrey Herbert's politics were benevolently feudal, but in the Middle East he became a passionate believer in the rights of small nations. In their struggles against the Turks, the Albanians twice offered him the throne of Albania.

When war broke out in 1914, Aubrey Herbert was aware that his eyesight would disqualify him from active service. So having acquired the right uniform he unobtrusively joined the Irish Guards as they marched out of Wellington Barracks at seven in the morning on their way to France.

Miraculously he survived the war, but after 20 years of dicing with danger in remote places, he died in London in 1923 from blood poisoning

This is a delightful and beautifully written biography of a remarkable man. Margaret Fitzherbert makes good use of letters and of the diary which Aubrey Herbert kept.


'Three Bathers—After Cézanne,' a bronze of 1978, reproduced in 'Henry Moore: Volume 5 Complete Sculpture 1974-1980' edited by Alan Bowness (Lund Humphries, £17.50). This handsome volume shows the sculptor's continuing creativity well into his eighties

Deadly arrears

BY GEORGE MALCOLM THOMSON

God's Banker: An account of the life and death of Roberto Calvi
by Rupert Cornwell. Victor Gollancz. £8.95, 260 pages

The story, as it develops, is one to delight Balzac. In the modern age it could only have been conceived and enacted by Italians. Other nations may have the violent dispositions, but only in Italy is the intricacy of the plot likely, plus the finesse of execution, a word with a special as well as a general application. Readers have already had a foretaste of the plot from the two extracts which appeared in the Financial Times earlier in the week.

Consider the parties involved: the Church, great industrial conglomerates enmeshed with the political parties, yes, even the austere Communists; alongside Italy's 1,060 banks, with the Bank of Italy supposed to supervise them; the freemasons, above all, the sinister P2 whose 650 members were drawn from the top men of the armed forces, secret service, business, judiciary, political parties (including the present Prime Minister Craxi, assuming he is still that when this appears)—it was, in short, a state within the state, expertly gathered together by Licio Gelli, who was until a day or two ago in prison near Geneva. P2 was not a masonic lodge as we understand the term; it was a powerful secret society meeting twice a week in three numbered rooms of the Hotel Excelsior, Rome.

Danger came to Calvi from various quarters and in all sorts of colours. This is a crime story. Fraud, forgery, blackmail, "protection," corruption, threats, even the odd murder, which is easier to arrange than in most places with Naples being so handy.

In the end, though, it was not any of the cruder forms of intimidation that brought Calvi down but the slow-moving, seemingly unimpressive but relentless investigations of the Bank of Italy. The Bank had plenty to investigate! For instance, one sum of $9m travelled from Nicaragua to Liechtenstein to Panama, to Luxembourg, to Nassau and then back to Nicaragua! Why? To "generate an income" in Luxembourg. Got it?

All this is not to say that Calvi failed to fight back against the Bank. On the contrary, when Sarcinelli of the Bank was closing in on him, what happened? Sarcinelli was arrested, accused by a journalist (who was shot) of being a Red functionary and a "friendly" magistrate co-operating, was locked away in prison on a trumped up charge. When he was let out, the Bank moved him to a less-exposed department. However, grinding away like the mills of God, the Bank at last brought Calvi down. What had it found? That $1.287m had disappeared.

At first he thought, dull little man that he was, that he could brazen it out. The Corriere della Sera, most influential of Italian newspapers, was in his control; above all, the Vatican would not let him down. They all did. The Vatican's betrayal was the hardest blow to bear. But in fact by this time, with a charismatic Pope on the throne, the Church's finances were on a sounder footing.

The board of Ambrosiano voted Calvi out of office. He fled and was found hanging under Blackfriars Bridge in London. Simultaneously, his secretary threw herself from a window in Milan.

The story of Calvi's death is almost as complex and, in its way, just as obscure as his life. Was it suicide, as the first coroner's jury said, or doubtful as the second believed? Good Catholics do not commit suicide, especially when insurance payments of $3m to their family may depend on it. Was he murdered? Reading Rupert Cornwell's expert account of the tortuous and mystifying story, most readers will, I think, conclude that probably—although not certainly—he was.

It would have been very difficult for him to commit suicide there, that way. Murder, too, would have been hard, but not impossible. Who did it? Cornwell offers a variety of candidates.

He has not written a completely clear narrative of this extraordinary Italian melodrama. That would scarcely be possible. But he has worked hard, he has dug widely and deep. He writes crisply and with the assurance of one who knows the world of high finance. Too often he has to admit—" in circumstances which are still obscure." or a similar phrase. But that is not his fault. The story is one for accountants and bankers to puzzle out.

Calvi was called "God's banker," but what God needed was a Fraud Squad.

Cornwell finished his book on June 8, 1983. Then he added a Postscript taking the story down to the second London inquest. Now, with Gelli's escape from his Swiss prison, the book needs yet another extension. An author has to work fast to keep up with these boys!

FICTION

Bindel boys

BY NICHOLAS BEST

Brothers
by Bernice Rubens. Hamish Hamilton. £8.95, 502 pages.

Marcovaldo
by Italo Calvino, translated by William Weaver. Secker and Warburg. £7.95. 121 pages.

Fire Falcon
by Duff Hart-Davis. Jonathan Cape. £7.95, 287 pages.

The Disenchanted
by Budd Schulberg. Allison and Busby. £8.95, 394 pages.

Is there a gap in the market for another four-generation Jewish family saga from Odessa under Czar Nicholas I via Wales, Germany and the Soviet Union to Israel under Menachim Begin? If the author is Bernice Rubens, who won the Booker prize long before it was fashionable, the answer must be a qualified yes.

Her new novel *Brothers* is the depressing story of the Bindel family, forced to flee Odessa after the first generation is massacred in a pogrom, *settling intermittently* in Cardiff and then in Leipzig—where, inevitably one feels, most end up in Auschwitz under Dr Mengele. The few survivors of the fourth generation grow up in Soviet Russia — where the psychiatric wards for political dissidents are little different from the lunatic asylums of the Czar—and emigrate finally to an Israel under constant threat from the PLO.

"Beware of principles," says each Bindel generation to the next. "Abandon them if you are to survive. There is no cause on earth worth dying for, no God worth one's dying breath, no country worth one's martyrdom, no principle worth one's sacrifice." And so the Bindels eat pork rather than starve, undergo compulsory baptism while whispering "Shema Yisroel" to themselves, make uniforms for both sides in the First World War and aid the Buchenwald executioner at the outset of the second. To survive is all. Nothing else matters.

Powerfully told, unremitting in tone, *Brothers* is an impressive work, a profound reflective exercise for anyone born gentile and free. The Auschwitz scenes are skilfully done, and although some of the dramatic set pieces fall flat, there is no doubt that Bernice Rubens can hold her own with the others who have been this way before. Yet this is essentially an old story. There are no new truths, no new insights. "*Never forget*," she says of Auschwitz. "*Never.*" If ever one did, it would surely be because of too much reminding, not too little.

On a lighter note, Italo Calvino's *Marcovaldo* is a half-wit and buffoon, a labourer in an Italian town—one guesses Turin—who loves the countryside almost as much as he hates the neon-lit environment in which he is trapped with his wife and family. He is the archetypal little man, buffeted by the city, desperate to pick his own mushrooms, yet totally out of place in the green fields of his waking dreams.

Every expedition to the country in these short stories ends in disaster. Whether he is buried in sand, chased by bees or catching polluted fish, he is a loser. The countryside defeats him just as surely as the urban supermarket. Yet the joke, the author would have us believe, is on the consumer society.

Remarkably, these stories were mostly written in the 1950s, long before environmental pollution had become an issue. They are an odd mixture. The best of them—Marcovaldo hired as a Santa Claus to give presents to poor children, except his own—are very good. Some are strained and silly. Others—Marcovaldo covered in a fall of snow, mistaken for a snowman—would nowadays find their place on television as a 30-second sight gag. Taken as a whole, however, they are very refreshing.

Fire Falcon, cover name of the main character in Duff Hart-Davis's new novel, is an ecology freak of a different kind. His quarrel is with the Forestry Commission in Scotland, whom he suspects of destroying the national heritage, in particular the deer. To persuade them to mend their ways he sets fire to first one young plantation and then another, with anonymous calls in between to a newspaper demanding that his case be presented on television.


Italo Calvino: modern Italian novelist who writes fables of urban man

The second of these fires kills two American tourists and triggers a manhunt. Deprived of his Epanutin tablets, Fire Falcon steals a rifle and goes berserk. Tracker dogs and helicopters over the bracken lead to a traditional one-man-against-the world-ending, but if Hart-Davis never quite reaches the height of Buchan, his story is nicely crafted nonetheless. He plainly has a feel for the west of Scotland, the setting is exactly right, and his descriptions of highland and heather are appropriately lush.

Another lush, in the American sense of the word, was Scott Fitzgerald, doomed hero of Budd Schulberg's best-selling roman à clef *The Disenchanted*, now reissued after a gap of 30 years. Son of the head of Paramount Pictures, Schulberg was assigned in 1939 to collaborate on a film script with Fitzgerald. The film, if it ever got made, has long since passed into oblivion. The fruit of their collaboration lies in this intimate depiction of a great writer's decline from Sun King of the 1920s to drunken hack and derelict human being, despised and forgotten by all but a handful of admirers.

The story itself is well-known. What Schulberg does is to fill in the details, not all of them pretty, to flesh out the bones on the creaking skeleton.

Marion's man

BY RACHEL BILLINGTON

Mr George Eliot: A Biography of George Henry Lewes
by David Williams. Hodder and Stoughton. £12.95. 289 pages

George Henry Lewes lived with George Eliot (that is, Mary Ann Evans or Marion as she preferred) for more than 25 years. She was 36 at the start of their association and had not attempted any fiction-writing. David Williams argues that without the Svengali Mr Lewes there would have been no *Amos Barton*, no *The Mill on the Floss*, no *Middlemarch*, indeed no George Eliot. This would make enough of a theme for a biographer. But he also is concerned to make a case for Lewes, the journalist and thinker, as an important Victorian figure in his own right. The result is an entertaining and instructive book.

George Henry Lewes was born one of three brothers in 1817. His father died when he was 17 and his mother married a mysterious sea captain called Willim. The family had enough money for his education which jumped between England, Jersey and France. Lewes did not go to university, although at 21 he spent two years studying in Germany.

David Williams paints the portrait of a lovely, rebellious, self-made man whose wide experience of life was deepened by a thirst for knowledge both practical and philosophical. Lewes soon fitted himself to become a leading journalist in the mid-nineteenth century. In those days that meant he was an essayist. He contributed to the Westminster Review, the Foreign Quarterly Review, the New Quarterly Review, the British and Foreign Review and the new Quarterly Review. His essays could run to as many as 14,000 words. One of that length was entitled "The Philosophy of Art: Hegel's Aesthetic." In the Victorian way, these essays were afterwards collected into substantial books.

Nor did Lewes confine himself to non-fiction. He wrote three novels, two of which Mr Williams designates as still readable. He wrote plays and when possible acted in them himself — not, unfortunately, with much success. This interest led him to drama criticism which rated approval from no less a person than Bernard Shaw. His collected reviews, a book entitled *Actors and the Art of Acting*, is still moving in and out of the London Library, not surprisingly as it is exhilarating reading:

> Rachel was the panther of the stage; with a panther's terrible beauty and undulating grace she moved and stood, glared and sprung.

This talented man from nowhere captured the heart of the 18-year-old Agnes Jervis, an MP's daughter belonging to "a distinguished family." Lewes, although small and extremely ugly, obviously had tremendous sexual magnetism. They were married with full regalia in St Margaret's, Westminster, in 1841. For some years their house was the happy centre for Lewes' ever-increasing literary efforts and also for other young writers and free-thinkers. By 1847 they had three sons and an apparently happy marriage based as it was on the new ideas of equal partnership and independence.

Unfortunately Agnes, perhaps less occupied than her husband, started an affair with their mutual friend (and Lewes' colleague on the Leader magazine) Thornton Hunt. There was no question of Hunt leaving his own wife so Agnes bore his son and daughter under the umbrella of her marriage to Lewes. Lewes accepted this at first, which was not after all against his own sexual code, but eventually had enough and separated himself from Agnes, although continuing a close relationship with his own sons.

It was this married yet unmarried man whom Marion Evans met in 1852. He was in a trough of depression—"a very dreary, wasted period of my life." And so was she. She was a clever, plain spinster in her thirties, living in lonely discomfort and working very hard for John Chapman's Westminster Review. Quite possibly she had also had an unsatisfactory affair with the attractive but superficial Chapman who was also married. Certainly she had been rejected by her other (unmarried) escort, Herbert Spencer.

It seems that she was almost immediately bowled over by Lewes' social confidence and intellectual energy. They began to live together, spending long periods abroad to avoid the retribution of Victorian society. Eventually they settled nervously on the fringes, and in 1856 "George Eliot," constantly encouraged by Lewes ("You must try to write a story") was born. In the same year Lewes published to real acclaim *The Life and Works of Goethe* which is still one of the best books on the subject.

This was Lewes' high-point as a writer. As George Eliot's star rose meteorically, bringing forth fame and financial reward (though only limited social acceptance), he more and more indulged his taste for vaguely scientific investigations. Molluses had been a passion for some time and he constantly dragged off poor intellectual Marion for wet sojourns by the sea. She fell into line and heroically "determined to pay some attention to seaweeds."

The partnership is fascinating in all sorts of ways, not least because of the contradictions in their characters whereby the heavy-duty Marion is dominated and supported by the apparently lightweight Lewes. This view is also held by George Eliot's biographer, Gordon Haight, although he does not go as far as Mr Williams who suggests that Lewes actually took up a pen to the early novels, particularly in the dialogue. During the past 10 or 15 years of their "marriage"—Marion always referred to Lewes as her "husband"—Lewes' health broke down. One can't help feeling that the emotional energy necessary to sustain George Eliot had simply sucked away his life. He died in 1878 at the age of 61.

David Williams has a style of writing which might be described as familiar. George Eliot's reaction to Lewes is summed up as "Marion thought him a wonder." At first this is somewhat disconcerting, used as we are to a more Victorian formality when approaching the Victorian age. However, as the book progresses it is clear that Mr Williams is so close to his subject and period that he does feel the sort of easy familiarity which another writer might feel for his own circle and generation. The enormous benefit is felt in a sense of immediacy and an atmosphere of intelligent geniality. Sad to relate, Mr Williams died just before publication of his excellent book.

A Victorian novelist who once enjoyed as great a reputation as George Eliot, Mrs *Humphry* Ward, is now largely unread. The chance to rediscover her comes from Penguin, who have just re-issued Helbeck of Bannisdale (The Penguin English Library, £2.95), a story of religious conflict in which the author draws on her own father's (Thomas Arnold's) conversion to Catholicism. Brian Worthington introduces this fascinating novel.

▲The Iku Cyclotronic is a seven-function computer which gives speed, average speed, distance covered and other information while you ride. Made in the Netherlands, it is self-powered and needs no batteries, is reckoned to be waterproof and mounts on a snap-on and off handlebar fitting for security. One-button operation. Fits wheel sizes from 18-inch. Price: £48.

● Also from Iku is a halogen headlamp for dynamo lighting which gives a powerful beam that outdates ordinary front lamps. Fits simply to the front brake bolt. Price about £7.50.

● THE SHOPPING bible for the real aficionado must be Freewheel's mail order catalogue. The latest issue offers commuter, casual and touring cyclists a huge range of accessories and cycle components. Lights, panniers, saddles, shoes and clothing, lightweight camping equipment, car racks and tools are among the many items listed. But no matter how esoteric your requirements, Freewheel probably has it.

Everything is well described including, occasionally, the drawbacks. For example, that bolt-cutters can easily cut through thick chains, padlocks or cables, and that the lock with the best record of theft prevention is the Citadel, made of half-inch hardened steel (from £16.95).

A range of complete bicycles using Holdsworth and Mercian frames (among the best) and Freewheel's own make, Revell, is offered at just under £200. And complete machines can be built to a customer's specification, choosing components from the 104-page catalogue.

It is on sale at newsagents, cycle shops or direct from Freewheel at 275 West End Lane, London NW6, price 95p. Betabikes, the associated retail shop, is at the same address (tel 01-794 4133).

● Useful night safety aid reaching the shops now is reflecting front and rear brake cables made by S. J. Clark. Reflect-a-Cables emit light in a series of brilliant white dashes so that riders can be seen side-on. One standard set is intended to fit all machines. Price about £4.50.

● A tough, case-hardened shackle lock is made by Abus of West Germany. It is black vinyl coated to protect paintwork and should resist all but very determined thieves. Price £11.25.

▲New to the cyclist's bookshelf is The Penguin Bicycle Handbook (Penguin, £3.95) written by an engineer, Rob Van der Plas. Plenty of useful and well-illustrated information on how to use and maintain a bike, though it costs a pound more than the standard work, Richard's Bicycle Book by Richard Ballantine (Pan, £2.95).

IF the kind of summer we've just had is enough to persuade even the least athletic of you to consider joining the growing band of free-wheeling cyclists who throng our streets and country lanes, MICHAEL STRUTT brings news of the latest developments from the world of the two-wheeler.

DEALS ON WHEELS

PEDAL POWER that can take you comfortably to work, into the country, or across a continent—that is what is offered by the new Alex Moulton, a distinctive machine for the person who wants to ride an "advanced engineering" bicycle.

The bike is a much-developed version of the 1960s unisex small-wheeler, a 24 lb lightweight which, with its new leading link front forks and rear suspension, gives a remarkably smooth ride.

It also separates into two pieces at the frame's central kingpin in less than half a minute for packing in a car, or for easy storage.

The AM2 model has a two-speed hub gear for town cycling but the AM7 which I tested has a seven-speed gear mechanism, known as a derailleur system, which gives a wide range of gears for all conditions. It comes equipped with either drop or flat handlebars, which is the version I tried. How does it go?

Riding the bike for the first time is an experience. Cycling on bumpy roads is effortless because the suspension deals easily with all but bad potholes, with only an occasional bumping from the undamped rear unit depending on the road surface. Absent are the jolts and jars that accompany riding an ordinary bike on all but smooth roads.

In town, the Moulton's light weight, narrow bars and 17-inch high-pressure wheels encourage manoeuvrability, so that steering through heavy or stationary traffic is easy. The suspension coped admirably with the sometimes appalling road surfaces near to the kerb.

On a long country run, the lightness again was an advantage, so it was easy to maintain momentum on flat and uphill parts of the road. Handling is precise and on downhill runs the bike swept through bends neatly on line.

The transmission changes smoothly and runs almost silently. The low gears are well suited for hills but the optional nine-tooth top sprocket available provides a higher top gear which is more suited to long runs.

Changing gear with the derailleur system requires a knack and for the inexperienced can be a nuisance. It would be made easier if the gear level were mounted on the handlebar instead of down on the frame, especially since with small-wheel bikes both hands should be kept on the bars.

More bite from the brakes would be welcome too, though simply changing the brake blocks should make a difference.

The original Moultons featured excellent front and rear carriers that could take substantial loads easily and the new bike does the same, but in lighter materials. The carriers are strong and rigidly mounted (which is unusual for bicycles anyway) though, surprisingly for an expensive bike, both are optional extras.

To go with them there are specially-designed strap-on carry bags which swallow a lot of luggage. There are also special bags in which the dismantled bike itself can be carried so that it could be taken on to a train as hand luggage.

The Moulton is not an ultra-compact "folder" like the Bickerton or the Brompton. Instead, unlike nearly all folding bikes, it has been designed to compare in performance with the best full-size machines. It is also among the lightest road bikes in production.

Chip-resistant paint and stainless steel wheel forks should outlaw rust and only the comparatively frail mudguards fail to match the general robustness and high quality of the rest of the machine.

It costs £500-plus to put the AM7 on the road when you include an essential rear carrier. But it has high-quality components and is beautifully made.

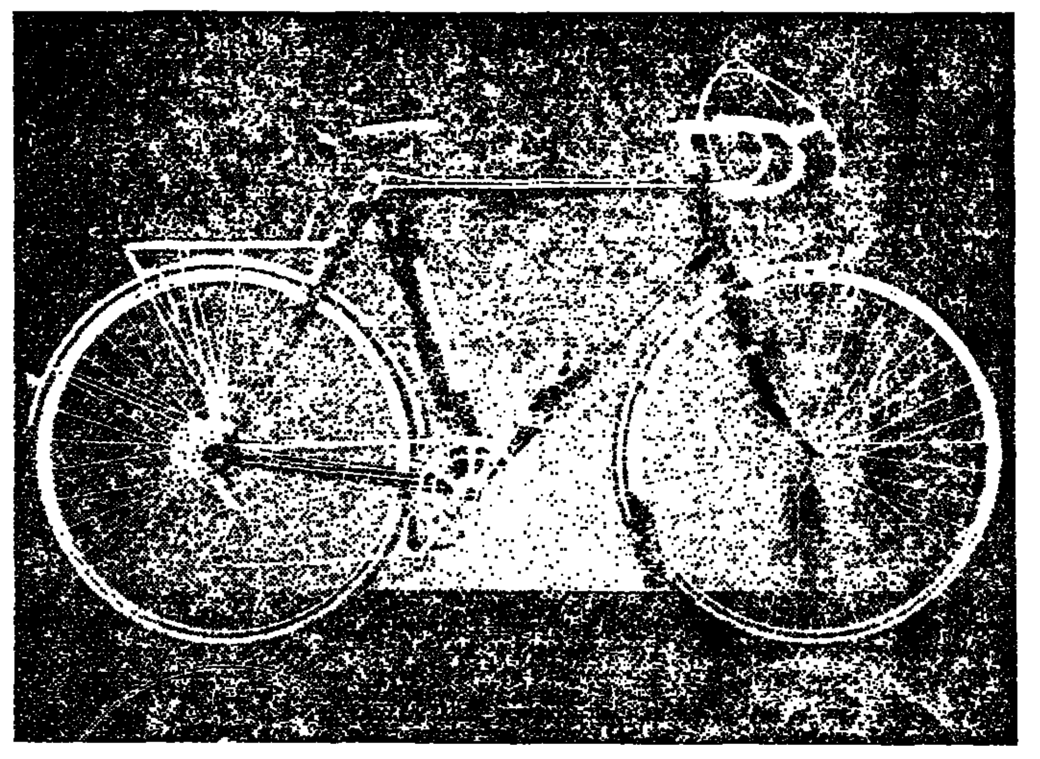
Prices: AM2 £399; AM7 £459. Front carrier: £16.95; bag £18.95, rear carrier £19.95; bag, £21.95; rear basket £16.95.

Machines are available through selected dealers. Alex Moulton Bicycles is at The Hall, Bradford on Avon, Wiltshire.

▲BMX bikes (Bicycle Moto-cross to you) are tough street and rough ground machines for five to 15-year-olds on which to have fun and race. They have soared in popularity in the past two years.

There are race meetings at special tracks with a national championship for the best riders, plus a massive range of (sometimes pricey) equipment and clothes to buy.

An increasing number of manufacturers have entered the market. Raleigh took the plunge last year and says that its Burner range took more than 130,000 out of 250,000 BMX bike sales. Prices start at about £100 and Raleigh's top model is £230, but you can pay over £400. Half that figure buys a very good one.



◄A new range of Londoner bicycles is offered by the London Bicycle Company whose shops are in Pimlico and Covent Garden. These own-brand bikes—built by Dawes, Falcon and Holdsworthy—are lightweight machines intended to make the easiest work of longer commuting journeys and holidays.

The range, for male and female riders, includes bikes with alloy wheels, straight or drop handlebars, carriers, and five, 10 or 12 gears. Some have high-quality Reynolds' 531 frames and Brooks' leather saddles. Prices are from £109 to £299.

● The London Bicycle Company's breezy yellow Rent-a-Bike machines can be hired again at the original premises in Kensington Palace Barracks. Charge is from £3 a day or £10 a week. The barracks are in Kensington Church Street, London W8 (tel 01-937 6089) and the main shops are at 41-42 Floral Street, WC2 (tel 01-836 2969) and 53-55 Pimlico Road, SW1 (tel 01-730 6898).

THE SWEET SMELL OF SUCCESS

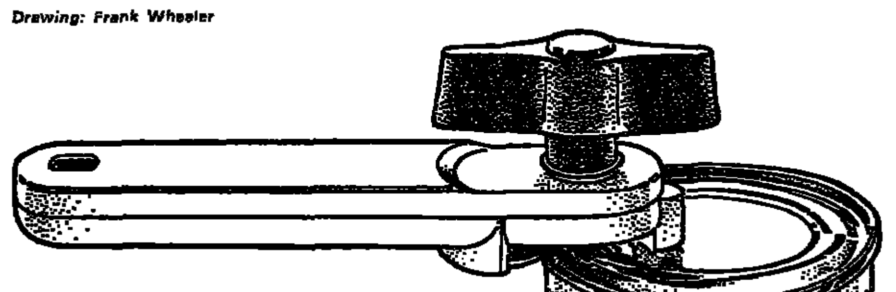
To many of us, Bronnley soaps are as much a part of the English scene as rain and bowler hats. Most of us will have used them many times without ever giving them thought so it comes as no surprise that the company is this year 100 years old. Started by 19-year-old James Bronnley with a loan of £300 in 1883 it now is the largest privately-owned, family-run soap business in Britain and exports to over 60 countries in the world.

Best-known for being the first company to introduce triple-milling (which gives the soap the consistency of colour all the way through, the density which makes it last longer) they still offer a huge variety of shapes and colours.

New for the centenary year is an original collection of soaps whose scent derives from trees — choose from Apple, Peach, Chestnut, Beech or Cedar, all are £2.55 for a box of three.

Only available in centenary year are some quintessentially English scents, Violet, English Rose and Camelia, all made from moulds dating from about 1898. A box of three is £1.50. Any or all would make a splendid small present.

Drawing: Frank Wheeler



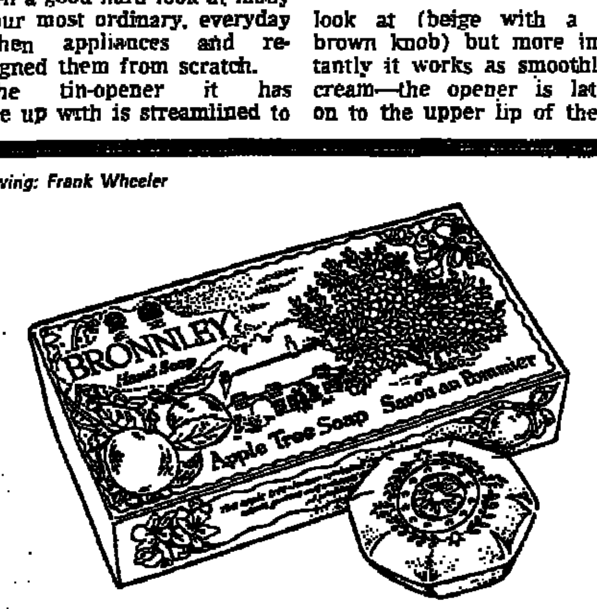
A TOPPING IDEA

A TIN-OPENER may seem a small and utilitarian sort of thing to get excited about but anybody who has ever grappled with a tin and an inefficient opener will sympathise at once with my enthusiasm.

WL Housewares is a go-ahead kitchenware company which has taken a good hard look at many of our most ordinary, everyday kitchen appliances and re-designed them from scratch.

The tin-opener it has come up with is streamlined to look at (beige with a dark brown knob) but more importantly it works as smoothly as cream—the opener is latched on to the upper lip of the tin, the knob is turned and the whole upper lid is removed in one, clean piece. It can be found in most kitchen departments and costs £3.25.

Drawing: Frank Wheeler



● Late holidaymakers with an eye on all eventualities might think of including The Trip Kit in their luggage. This is a neat zip-up pouch in red or khaki PVC laminated nylon containing all the first aid dressings and creams a traveller is likely to find useful. Find it at Harrods, Knightsbridge, London SW1; the Design Centre Shop at Haymarket, London SW1, and at Heathrow Airport, or direct from Micropharm, 61 Morshead Road, London W9 for £7.99 (inclusive of p+p).

Edinburgh Festival 1983

Idiot's guide to box office success

How much of it is John Drummond's doing I don't know, but Edinburgh has seemed more festive than usual this year. Pubs open all day *and half the night*. The grass in Prince's Street gardens may have a tinge of sunburn, but the flowers are fine, especially the roses. Grey-haired ladies have doffed their Morningside hats and match the ladies from the U.S. You can sit in the wonderful Royal Botanic Gardens among the Henry Moores and hear the whole of *The Ring* on records. Thursday night's firework display from the Castle lacked only a good blue fire for perfection. On the other hand, Lothian Region buses are using Audiobus advertising tapes on the top deck.

Two more plays from the Traverse to record. *Natalia Tilipovna*, derived from the end of Dostoevsky's *The Idiot*, is played in Polish, and breaks the usual Edinburgh rule, that foreign languages mean thin houses, by selling out for its whole run. In the deep darkness of a silent apartment, Rogozhin (Jerzy Radziwilowicz) tells Prince Myshkin (Jan Nowicki) that Natalia lies in the next room with a knife through her breast, and she may begin to smell.

The production by Andre Wajda is rich with photographic detail. At one point Rogozhin sloshes a bucket of practical water over the floor and starts to scrub it clean. The acting, as far as I can tell without Polish, is very fine, and the theatre wil give you a photostat of the last pages of *The Idiot* to set the scene, though it doesn't chart the argument. The production moves to Riverside Studios London from Tuesday.

Medea isn't straight from Euripides, but is an English version by Barney Simon of a German version by Grillparzer. It is in rather heavy-footed pentameters, but nothing, even the varying quality of the company here, can altogether mask the tragic tension of the classic story. Yvonne Bryceland is Medea, Terence Wilton a curiously round-shouldered Jason, David Calder the authoritarian Creon.

The setting, by Brien Vahey, shows a tatty canvas tent over rickety poles, and I felt that the simple scene, like the straightforward story-telling, was probably chosen for Mr Simon's company in Johannesburg's old market. It is undeniably effective.

I pass over with generous indifference the performance of Adrian Mitchell and his singing daughter, Sasha. Mr Mitchell is clearly a very nice man, who wraps up a lot of trivial thought in words that are barely verse, let alone poetry. Sasha, who is only 16, may become a sort of Joan Baez if she works at it.

This year I was especially glad to see the Children's Music Theatre in its latest work, *Drake*, if only to remind myself that, in spite of *Bugsy Malone*, young people are truly capable of providing enjoyable, well-directed, well-spoken, well-sung performances.

Drake is a comic piece by Jeremy James Taylor (who runs the company), with music by David Nield. Mr Nield has a band a dozen strong, and singers in the company who are capable of taking the sometimes awkward intervals he gives them without trouble, often hitting notes at the top of the stave with astonishing truth.

The story is a farcical account of how Drake beat the Spanish Armada and avoided becoming the lover of Queen Elizabeth. (I would say "Elizabeth I," but in fact Gloriana was never Queen of Scotland). The secret of Drake's success lay in the use of bowls as cannonballs. The bowling club of Widdecombe, whose names we all remember in another context, were the inventors of bias. When the wicked Mayor of Plymouth pinched their bowls and flogged them to the Spanish as cannonballs, he little knew that when fired from guns they would curve gracefully through the air to return where they had come from, so sinking the Spanish flagship Golden Shred.

Drake was strongly played and sung by Michael Sutherland; the Virgin Queen was Katie Gollop; and Sir Walter Raleigh, who contrived to embark, with the Queen, on Drake's ship for the historic battle, by a very lively Nicky Searle, who won cheers for a song-and-dance number.

B. A. YOUNG

Nicky Searle in "Drake": lively performance

Triumph and tosh from Rambert

Lucy Burge: physical presence

Ballet Rambert has this week provided two new works as its contribution to the Edinburgh Festival. Given that *Vienna 1900* is a theme of the festival, and there is a superb exhibition on this subject at the National Museum of Antiquities, the idea of a dance staging of Kokoschka's play, *Murderer Hope of Women* must have seemed A Good Thing. But what has resulted in Glen Tetley's realisation is an unwittingly farcical piece of High Symbolic Tosh.

A projected use of Schoenberg's Chamber Symphony op. 9 as musical support to the dance was abandoned, and what we see (and partially hear) is Kokoschka's drama mouthed by the dancers as they strain and struggle, reel, writhe and faint in coils. It has been said that dance is the only entertainment where you will not hear a foolish word all night — at least from the stage. *Murderer Hope of Women* (inexplicable title) proves otherwise, and the expressionistic rodomontade of the text — which proposes a wild mixture of eroticism, violence and sexual subjugation in a conflict between opposed tribes of men and women — is in no way mitigated by the dancers' varied accents, their inexperience with stage speech, and the decision that the words should be bro-ken in-to syll-ables with every consonant stressssed-d-d. The women are much given to banshee screaming; the men counter with choral incomprehensibility; the choreography is predictable, and makes much of what I can best call *coitus uninterruptus*.

The shock effect of the piece at its first Viennese staging, and the world it reflected, are clearly to be understood in the *Vienna 1900* exhibition; on stage at the King's Theatre, Kokoschka's ferment of ideas and his concern with the inner torments of the psyche have been turned into risible improbability. Only Lucy Burge, red-wigged and bare-breasted like one of Klimt's vampire women, has the physical presence and the vocal finesse to convey the terrifying passions of the Amazonian leader of the women. In her performance Kokoschka's drama is not made to look silly.

Much happier the other novelty, Robert North's *Colour Moves*. Its title is wholly accurate, for the purpose of this plotless piece is the exploration and reflection of the moods established by Bridget Riley's stunning designs. With very welcome sponsorship from Esso, Miss Riley was invited to provide five sets which were the starting point for the ballet. Her acute perceptions about colour, about the way tones interact and create both spatial and emotional locales, are here marvellously effective. Their apparent simplicity and essential sophistication provide a subtle atmosphere in which the dance takes place, with dancers in adaptations of practice dress by Andrew Storer.

The progression of sets dictates the progress of Robert North's choreography, which is neatly efficient rather than inspired — like Christopher Benstead's commissioned score. The eye is ravished by Miss Riley's design; they are in themselves sufficient to justify the piece — though we are far from the *Fireworks* which Diaghilev staged by lighting Balla's constructions and doing away wth dancers altogether.

The importance of *Colour Moves* lies in the decision to use a major easel painter to decorate dance. Other companies please copy. I must note, also, that in this same programme Richard Alston's *Chicago Brass* was given with much greater force and clarity than at its first appearance at Sadler's Wells, and it is shown more surely than before to be a most persuasive response to Hindemith's wonderful score (which was excellently played in Edinburgh).

CLEMENT CRISP

Comic capers

Classic comedy connoisseurs, gather round. Charlie Chaplin twirls his cane, twinkles his moustache and winds up his bandy-legged walk in a splendid new series of cassettes from Polygram Video. They're all the more welcome since the comedies of early cinema have been treated poorly-to-abominably by the small screen over the years. Usually they're peeled, sliced and blended in kitchen-mixer programmes with titles like "Side-Splitting Silents" or "Golden Giggles," and fulsomely over-voiced by some well-known showbiz personality.

There should be a law, of course, to enforce the slowing down of silent comedy. And to *teach people that* Chaplin's films were *not* made in speeded-up motion so as to make him resemble a baggy-trousered St Vitus, but at normal velocity. It was the later addition of soundtracks — piano accompaniments or sound effects—that caused the accelerated picture. (Sound speed is 24 frames per second compared to the 16 of silent cinema). And although Polygram have failed to resist *musical accompaniment*, they've minimised the damage of fast motion by preserving a fine clarity of picture and having the rare decency to present Chaplin's early two-reelers complete rather than in selected highlights.

So gaze with glee at the slow-burn hilarity of some great comic sequences. At Chaplin sliding to and fro at wild angles on a rolling ship in *The Immigrant*. At Chaplin in drag in *A Woman*. At Chaplin in *A Jitney Elopement* building an entire slapstick sequence around his attempt to eat a tough beefsteak. (Note the manic gesture with which he picks it up in both hands while his lady companion is not looking and gnaws it briefly like a berserk rodent).

There are resistible passages of Chaplin pathos, and one or two gag sequences that gang agley. But Chaplin's tramp is without peer as a comic gadfly who could be both hero and coward. He will bump a bully on the head with merciless force. But he will just as happily swat a child or a woman.

He is pure movement unrequired to answer for any of his *actions with speech*. (Indeed the decline of his films dates from the moment, in *Modern Times*, when he *does* first open his mouth on screen). And the cartoon appearance — a pen-and-ink imbroglio of chalky face and black moustache, tattily pretentious collar-and-tie and ill-fitting jacket and trousers — created a character as economically immortal as a sketch by Daumier or Toulouse-Lautrec.

Polygram have also issued a Harold Lloyd collection in cassette form. But the films chosen are not Lloyd's best, and his eager-jawed freshman, with specs, boater and gleaming eye for the gals, seems an oddly dated image today: like something blowpiped into the 1980s from a between-wars varsity revue.

One querulous quibble, too, about the cassette. What on earth did the sound technicians, who have added a special track of noise effects, think they were up to? Every action is accompanied, often quite inappropriately, by a whistle or a grunt or a wheeze, or a "boyoyoyng!" as of bounced-on mattress springs. Lloyd's *Haunted Spooks*, in particular, becomes a sonic assault course

Silence is golden. But it can also be daunting. *Land of Silence and Darkness* (Palace Video) is Werner Herzog's absorbing feature-length documentary about a 56-year-old German lady, Fini Straunberger, who lost both her sight and her hearing in her teens. The film explores this deprivation that has closed one world and opened up another—the imagination—in a woman whose courage and optimism remain undimmed.

Typically of Herzog, he's not content to chronicle a hard luck story, he tracks down the special powers and insights of one of life's apparent castaways, as he did with his illiterate simpleton in *The Enigma of Kaspar Hauser* or his jungle-girt overreachers in *Aguirre, Wrath of God* and *Fitzcarraldo*.

Perfect companion-piece to this film is Herzog's hilarious American-set documentary, *How Much Wood Would A Woodchuck Chuck* (Palace). This is pure word delirium at several hundred vocables-a-minute: the tongue-tripping portrait of Texas cattle auctioneers outbidding each other's speed of speech. Study this closely, and at last you can graduate beyond "The Leith police dismisseth us."

VIDEO

NIGEL ANDREWS

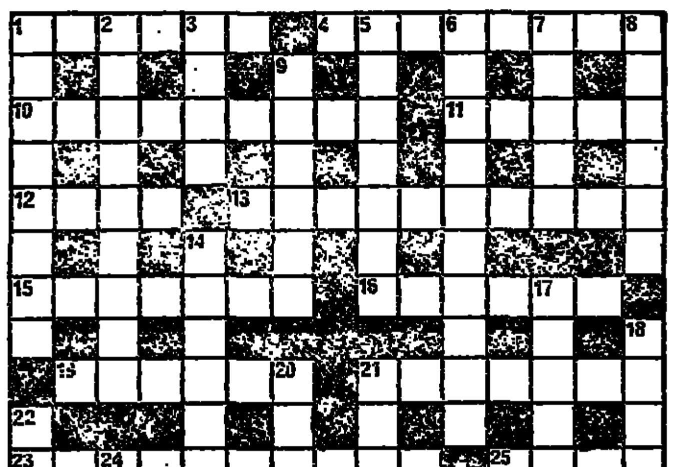
F.T. CROSSWORD PUZZLE No. 5,207

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



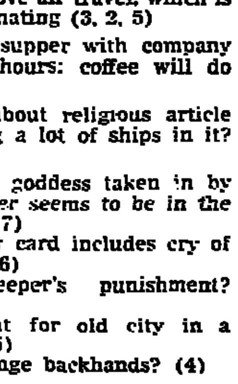
ACROSS

1 Row about pig? Say it isn't yours (6)
4 The man in the wings must be more punctual (8)
10 Fish eating religious person—unusual problem (9)
11 French town where Polonius died (5)
12 Take off the board in a temper (4)
13 New order: I veto worry—here you can away from it all (5, 5)
15 Stingy fellow pullin' back (7)
16 Leave out bar (6)
19 Sheltered entrance? (6)
21 What a little bird says about Rugby Union should be encouraging (5, 2)
23 Mount and fall? (10)
25 Runaway playwright? (4)
27 Number taking a breather wouldn't let go (5)
28 Quiver? Could be worse, a car having crashed (5, 4)
29 Within reason Connecticut has an odour of its own (8)
30 Feast on a bed? (6)

DOWN

1 Two lots of cards (one American) for a sailor (4-4)
2 Did he have a breech birth, and was his father loaded? (3, 2, 1, 3)
3 What's tipped to succeed king? (4)
5 Compunction about code (7)
6 Provider of tea, milk, etc? (4, 6)
7 Gamble worth taking? (5)
8 Go somewhere for a holiday? (6)
9 Reminder about day of victory being established (6)
14 Fish love air travel, which is illuminating (3, 2, 5)
17 Some supper with company after hours: coffee will do (9)
18 Pity about religious article having a lot of ships in it? (8)
20 Poetic goddess taken in by deserter seems to be in the pink (7)
21 Yellow card includes cry of pain (6)
22 Shopkeeper's punishment? (6)
24 Lament for old city in a day (5)
26 Exchange backhands? (4)

Solution to Puzzle No. 5,206

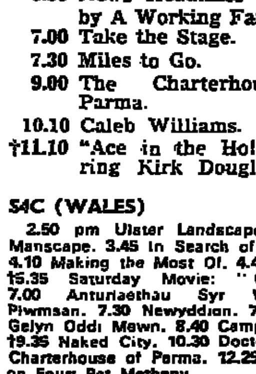


SOLUTION AND WINNERS OF PUZZLE No. 5,202

P. G. L. Tozer, Pembroke House, Rostherne, Near Altrincham, Cheshire.

S. J. D. Pierce, The Old Vicarage, Heytesbury, Wiltshire.

Dennis Athanassoglou, 40 Old Court House, Old Court Place, London, W8.



†Indicates programme in black and white

BBC 1

6.25 am Open University. †8.55 Edgar Kennedy in "Westward Ho Hum." 9.15 The Get Set Picture Show. 10.12 Weather.
10.15 Grandstand, including 12.45 News; Cricket (10.25, 1.30, 2.25, 3.25, 3.55). The NatWest Bank Trophy Final—Kent v Somerset from Lord's. Football Focus (12.50); The Rally of the 100 Lakes from Finland (1.15); Racing from Haydock Park (2.05, 3.05, 3.40); Athletics, highlights from Koblenz and Rome (2.25); 4.35 Final Score (N. Ireland only: 5.00 Northern Ireland Results).
5.10 The Dukes of Hazzard.
6.00 News.
6.10 London — Sport; South-West (Plymouth) — Spotlight Sport; Other English regions — Sport/Regional News; Scotland — Scoreboard; Wales — Sports News Wales; Northern Ireland—Northern Ireland News and Sport.
6.15 The Noel Edmonds Late, Late Breakfast Show.
7.00 Blankety Blank.
7.35 Juliet Bravo.
8.25 Three of a Kind.
8.55 News and Sport.
9.10 Remington Steele.
10.00 Match of the Day (not *Scotland*). (*Wales only* to include Cardiff v Grimsby.) 10.00 (Scotland) Sportscene.
10.50 Saturday Late Film: "Return of Sabata."

BBC 2

6.25 am Open University.
†3.10 Saturday Cinema: "Sing As We Go," starring Gracie Fields.
4.25 Cricket: The NatWest Bank Trophy Final, Kent v Somerset at Lord's.
7.25 Gardners Royal.
7.55 News and Sport.
8.10 Top Crown.
9.00 Gay Rip-Off.
†9.45 Horror Triple Bill (1): "The Black Cat," starring Boris Karloff.
10.50 Cricket: Highlights of the NatWest Bank Trophy Final.
11.25 News on Two.
†11.30 Horror Triple Bill (2): "Murder in the Rue Morgue," starring Bela Lugosi.
†12.20-1.35 am Horror Triple Bill (3): "The Raven," starring Boris Karloff and Bela Lugosi.

BBC 2 NORTHERN IRELAND as above except: 8.10-9.00 pm Jack High.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show with Isla St Clair and Tommy Boyd.
12.15 pm World of Sport introduced by Dickie Davies: 12.20 Cycling — The World Championships from Switzerland; 12.30 Waterskiing—The World Championships from Sweden; 12.45 News; 12.50 On the Ball with Ian St John; 1.20 The ITV Four from Kempton (introduced by John Oaksey); 1.40 *Cycling from Switzerland*; 1.55 The ITV Four; 2.10 Boxing from The Bloomsbury Crest Hotel, London; 2.25 The ITV Four; 2.45 Golf—Panasonic European Open, from Sunningdale; 3.00 The ITV Four; 3.15 Golf — The Panasonic European Open; 3.45 Half-time Soccer Round-up; 4.00 Golf; 4.45 Results including Classified Pools Check.
5.05 News.
5.15 Chips.
6.15 David Frost presents the Guinness Book of Records.
7.15 The Winds of War Preview.
7.20 "Close Encounters of the Third Kind" (Special Edition), starring Richard Drefuss.
9.45 News and Sport.
10.00 Tales of the Unexpected.
10.30 The Who—Final Concert.
11.45 London News Headlines followed by Street Dreams, followed by Night Thoughts with the Rev Bill Todd.

CHANNEL 4

†2.45 pm "The Golden Age of Buster Keaton."
4.35 Well Being.
5.05 Brookside.
6.00 Video Video presented by Adam Faith.
6.30 News Headlines followed by A Working Faith.
7.00 Take the Stage.
7.30 Miles to Go.
9.00 The Charterhouse of Parma.
10.10 Caleb Williams.
†11.10 "Ace in the Hole," starring Kirk Douglas.

S4C (WALES)

2.50 pm Ulster Landscapes. 3.15 Manscape. 3.45 In Search of Paradise. 4.10 Making the Most Of. 4.40 Switch. †5.35 Saturday Movie: "Gaslight." 7.00 Anturiaethau Syr Wynff A Plwmsan. 7.30 Newyddion. 7.40 Mae'r Gelyn Oddi Mewn. 8.40 Campau'r Ser. †9.35 Naked City. 10.30 Doctors. 11.25 Charterhouse of Parma. 12.25 am Jazz on Four: Pat Metheny.

REGIONS

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Falcon Island. 10.05 Metal Mickey. 11.45 pm The Intrepid Mr Twigg. 12.30 am At the End of the Day.

BORDER

9.30 am Cartoon Time. 9.40 Fangface. 10.05 Metal Mickey.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 Profiles in Rock. 10.05 Vicky the Viking. 11.45 pm That's Hollywood.

CHANNEL

9.25 am Saturday Space followed by Space 1999 followed by Puffin's Pla(i)ce. 5.15 pm Puffin's Pla(i)ce. 5.20 The making of Raiders of the Lost Ark. 11.45 Great Fights of '70's.

GRAMPIAN

9.35 am The Smurfs. 10.05 Metal Mickey. 11.45 pm Doug Henning's Magic on Broadway. 12.40 am Reflections.

GRANADA

9.25 am Larry the Lamb. 9.35 Falcon Island. 10.00 Vicky the Viking. 11.45 pm "The Night Nurse," starring Davina Whitehouse and Kay Taylor.

HTV

12.13 pm HTV News. 5.13 HTV News. 11.45 Mannix.

SCOTTISH

9.25 am Storytime. 9.35 Private Benjamin. 10.05 Metal Mickey. 11.45 Late Call. 11.50 Simon and Simon.

TSW

9.30 am Freeze Frame. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Metal Mickey. 11.00 Little House on the Prairie. 11.45 The Pruitts of Southampton. 12.12 pm TSW Regional News. 5.15 Newsport. 6.20 The Making of "Raiders of the Lost Ark." 6.15 The Fall Guy. 11.45 pm Great Fights of the 70's (Rossman v Galindez). 12.40 am Postscript. 12.45 South West Weather and Shipping Forecast.

TVS

9.25 am Cartoon. 9.35 The Smurfs. 10.05 Metal Mickey. 12.12 pm TVS Weather. 11.45 Shelley. 12.15 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 The Lone Ranger. 10.00 TT Time. 10.05 Metal Mickey. 12.12 pm North East News. 5.10 North East News. 11.45 *Thriller*. 1.15 am *Poets Corner*—Alun Armstrong reads "Nicholas Hall."

ULSTER

10.05 am Metal Mickey. 12.48 pm Lunchtime News. 5.13 Ulster News. 9.59 Ulster Weather. 11.45 Doug Henning's Magic on Broadway. 12.40 am Sports Results. 12.45 News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Popeye. 9.40 Little House on the Prairie. 5.15 pm The Smurfs. 5.30 David Frost presents the Guinness Book of Records. 6.30 Miss Yorkshire *Television 1983* introduction by Martin Dale. 11.45 Great Fights of the 70's (Galindez v Johnson).

RADIO 1

(S) Stereo Broadcast

8.00 am Tony Blackburn's Saturday Show. 10.00 Gary Davies. 1.00 pm Rock Lints Show (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 The Rock Palast Open Air Festival (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

7.30 am David Jacobs (S) including 8.02 Racing Bulletin. 9.30 Sounds of the 60s (S). 10.30 *Album Time* (S). 11.30 The Kenny Everett Show (S). 1.00 pm Punch Line. 1.30 Sport on 2: Cricket: Kent v Somerset for the NatWest Bank Trophy: Football including second-half commentary from 3.55: Racing from Haydock Park at 2.45, 3.15 and 3.45; Golf: European Open at Sunningdale; 5.0 Sports Report, including 5.0, 5.50 Football results and 5.45 Racing results, plus U.S. Open Tennis, preview of Motor Cycling Grand Prix at Imola. 6.00 Country Greats in Concert. 7.00 Three in a Row. 7.28 Cricket Desk. 7.30 Big Band Special (S). 8.00 Ring up the Curtain (S) including 8.40-9.00 Interval. 10.00 Saturday Rendezvous: Billy Eckstine, Sarah Vaughan and the Stan Reynolds Big Band (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Bill Rennells presents You and the Night and the Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 BBC Welsh Symphony Orchestra Stravinsky and Britten (S). (12.15-12.20 pm Interval Reading). 1.00 News. 1.05 Brahms Lieder (S). 2.00 Sir Adrian Boult (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum in Edinburgh. 6.45 Gillian Weir, organ recital (S). 7.30 Proms from the Royal Albert Hall, part 1: Mozart (S). 7.50 A Closer Look: Vernon Scannell looks in detail at two poems by Dylan Thomas. 8.10 Proms, part 2: *Bruckner* (S). 9.25 Success or Failure (story by T. H. White). 9.40 Italian Solo Songs from the Early aBroque (S). 10.15 Viola Sonatas (S). 10.55 News. 11.00-6.45 am Proms: An all-night concert of music from India (S).

Medium Wave as vhf except: 10.25 am-7.30 pm Cricket: NatWest Bank *Trophy* Final, Kent v Somerset at Lord's.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Breakaway including 8.57 Weather; Travel. 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent: 12.00 News: A Small Country Living. 12.27 Quote ... Unquote (S). 12.55 Weather; Travel. 1.00 News. 1.10 Tales from the South China Seas (S). 1.55 Shipping Forecast. 2.00 News: Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Letters from a Cowboy. 4.00 News: International Assignment. 4.30 Does He Take Sugar? 5.00 This College and University Business. 5.25 *Whizzalonga*-wavelength with The National Revue Company (S). 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News and Sports Round up. 6.25 Desert Island Discs (S). 7.20 A Day in the Life of Radio 4 (S). 8.00 Richard Baker with music on record (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Behind the Screen. 11.00 Soundings. 11.30 Scenes from Village Life. 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 8.33 The Boat Show. 9.03 Openings. 9.30 Quartet. 10.02 All That Jazz. 11.30 Robbie Vincent's *Saturday Show*. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 The Name of the Game. 6.00 Guideline. 6.30 It Makes You Think. 7.00 Evening Star. 8.00 Radio Replies. 8.30 The Maitland Interview. 9.00 Hold The Front Page. 9.30 Good Fishing. 10.00 As Radio 1. 12.00-5.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Bill Bingham and Mark Smith. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Greg Strange. 1.00 pm Sportswatch with Dave Brenner. 6.00 LBC Reports with Greg Strange. 7.00 Geet Mala. 8:00 Network. 9.00 Hayes on Saturday. 10.00 Nightline with Phillip Hodson. 1.00 am Night Extra. 4.00 Travel '83.

CAPITAL RADIO

7.00 am Dave Cash. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Mike Allen's Music Centre. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 The Greg Edwards Soul Show. 9.00 Roots Rockers. 11.00 Foreign Affair with Charlie Gillett. 12.00 Midnight Special.

Solution to Position No. 480

1 ... K-Q2! (the "distant opposition"); 2 K-K3 (if 2 K-Q4, K-Q3 or 2 K-B4, K-B3); K-B3; 3 K-Q3, K-B4; 4 K-K3, P-N6; 5 K-Q3, K-N5; 6 P-K5, K-R6! and White resigned as Black queens first.

Solution to Problem No. 480

1RxN ch, KxR (B7) (if RxR; 2 Q-K2 mate); 2 R-Q2 ch, KxR (else 3 Q-K1 mate); 3 Q-K1 ch! and if KxQ; 4 B-QB3 mate, or if K-B7; 4 Q-Q1 mate, or if K-Q6; 4 Q-K2 mate.

THEATRES

The melodies linger on...

BY JANET MARSH

ONCE HEARD, the strains of a Violano-Virtuosa are never quite forgotten. This ingenious instrument, marketed in the teens and twenties of the century, combines a mechanical piano with a mechanical violin. When the mechanism is set going, they pump out, with relentless rhythm and in perfect harmony, favourite old melodies of their day. The violin has a peculiar, plaintive, eerie vibrato that seems to come from other worlds and to sing the sentiment of another age.

Though not uncommon in the United States, examples of the Violano-Virtuosa are rarely found in this country. One which is to be sold in Sotheby's sale of mechanical musical instruments on September 13 is the first to appear within memory in the London salerooms, and should bring a price well in excess of £6,000.

The machine was marketed by the Mills Novelty Company of Chicago, who had entered the mechanical music field somewhat accidentally. Originally concerned in the manufacture of coin-in-the-slot gambling machines, the firm first introduced music boxes into some of their productions as a way of circumventing anti-gaming legislation. The proprietors of such machines could argue that the punters received something tangible—the music—for their money: the gambling was merely incidental.

In 1905 however Mills were to embark on an altogether more ambitious musical machine, thanks to the initiative of a young inventor called Henry K. Sandell who had joined the company the previous year. Sandell was already an established inventor; inspired by the example of the mechanical piano, first introduced in 1897, he set out to perfect a mechanical violin. His first success was christened the Mills Automatic Virtuosa.

Sandell's machine used an ordinary violin, firmly clamped. In place of the bow, four rosined celluloid discs revolved rapidly above the respective strings, and were brought into contact with them, as necessary, to reproduce the effect of bowing. Meanwhile mechanical "fingers" arranged along each string could mechanically "stop" them. The whole was controlled by a perforated paper roll of the kind used in mechanical pianos.

This mechanical performer could achieve feats impossible for the human violinist. It could bow all four strings simultaneously, and could be programmed to superhuman feats of fingering. All that the clever robot lacked was any touch of human expression.

That, though, was a small shortcoming in the marvelling eyes, or rather ears, of the first delighted audiences. The Automatic Virtuosa initially achieved recognition in this country, where it embarked on a triumphant tour of the music halls in the spring of 1908, following a series of London demonstrations at Waring and Gillows. Still a solo instrument, the Virtuosa stood in the centre of the stage in its ornate oak cabinet, its little celluloid wheels whirring busily away, while a pianist provided the accompaniment.

The press was so flattering that the King himself asked for a demonstration at Windsor Castle. Unhappily, after an accompanist had spent days of rehearsal, the royal show was called off on account of the death of the King's father-in-law, the King of Denmark. However the days spent preparing the piano accompaniment had given Mr Sandell the idea of perfecting his invention by combining it with a mechanical piano: and thus the Violano-Virtuosa was born.

Meanwhile the enthusiastic British press notices, as well as news of the intended royal show, began to attract belated recognition in the United States; and in 1909 the Violano-Virtuosa was the star turn in the U.S. Patents Office's special exhibition of notable American inventions at the great Alaska Yukon Pacific Exposition in Seattle.

The Violano-Virtuosa soon became the principal product of the Mills Novelty Company, who backed it up with extensive and prestigious advertising. The Violano-Virtuosa was recommended for use in the home, the club, the restaurant, the ocean liner and the railroad train. It was vaunted as a way of filling churches and keeping children at home. Heartlessly the Mills company also foresaw that it could produce widespread unemployment for live musicians. In the dancing class the Violano-Virtuosa would "give a much more distinctive character to the music than the piano and violin as played by the usual assistants," while the restaurateur could save "the cost of orchetra help; and use it to decorate the room, to add rare dishes to the menu, or to improve the service."

By the end of the '20s, though, the Violano-Virtuosa found itself losing employment side by side with the live musicians. Radio, talking pictures and the great strides made by gramophone recording were the new crazes. The Violano-Virtuosa, with its great bulk and cost, could not compete; and the introduction of other devices — a mechanical Viol-Cello, String Quartette and Viol-Xylophone — was not to save the day.

If you have neither the money nor the house-room to acquire Sotheby's Violano-Virtuosa, you may still, for the outlay of a pound (50p for children) see and hear one in performance at Frank Holland's Piano Museum at 368, High Street, Brentford. Housed in a converted church, and not nearly well enough


A rare coin-operated "Violano—Virtuoso" c 1912.

known, this is one of the most remarkable museums of its kind in the world, and certainly one of London's best weekend entertainments.

It opens every Saturday and Sunday afternoon, from April to October, between 2 and 5 pm. Mr Holland himself conducts a 90-minute tour at 2 and at 3.30, in the course of which all the major exhibits are made to perform. Thus you can hear such rarities as the only Duo-Art organ still on public exhibition in this country, and a piano roll of a Brahms Hungarian dance recorded by Dohnanyı.

The high spot, though, is the performance of the Mills Violano-Virtuosa. Depending on your luck, you might catch it playing "Little Girl" or "There Must be a Bright Tomorrow." This might well be the signature tune of Mr Holland, who founded the museum 20 years ago, and has kept it going, often against financial odds that would have overwhelmed anyone else. Nowadays he has help from the local authority, the Science Museum and a host of volunteer helpers, but the modest admission fees still have to pay the running costs, and at present aren't nearly enough to pay for mending the roof which is leaking badly. But Mr Holland is undaunted. Thanks to the infallible rejuvenator of enthusiasm, he seems far less than his 73 years. He gets the same delight from an audience that responds to the jokes with which he laces his lecture-tour as from the discovery and restoration of a new machine. "I couldn't ever be happier than doing what I'm doing here" he says, and you don't doubt it for a moment.

Where money talks about world history

COINS

JAMES MACKAY

THE BRITISH Numismatic Trade Association is holding its third annual numismatic fair, Coinex, on October 24-25 at the London Marriott Hotel (formerly the Europa) in Duke Street, Grosvenor Square.

More than 80 dealers from the British Isles western Europe and America are expected to have stands at the exhibition which is widely regarded as the curtain-raiser to the new season.

Cashing in on the fact that many dealers and collectors will be in London around that time, Spink and Son is holding its first sale of the 1983-84 season on October 12, at the Cavendish Hotel in Jermyn Street.

Although this is a large general sale, covering virtually all aspects of coins, ancient and modern, it has a number of specialised sections of outstanding importance. The sale begins with 65 lots devoted to the Greek, Roman and Byzantine series, while the afternoon session, dealing with the coins of Africa, Asia, Australia, North America and the West Indies, includes a fine collection of the coins of Hong Kong, with many rarities, such as the 1865 pattern dollar and the exceedingly scarce cent of 1941 whose issue was forestalled by the Japanese invasion of the colony.

The evening portion of the sale is mostly devoted to European coins from a number of differing sources. Many of the European gold coins were collected on the Continent before World War II, and the German pieces, in particular, are of an unusually high standard.

In the French section there is an exceedingly rare piedfort pattern franc of 1832, struck in gold. There is also a proof set from French Indo-China, struck in 1889, complete from the silver piastre to the tiny bronze sapeque.

It is still in its original decorated blue leather case, the coins benig described as of "uneven tone, but superb with much brilliance, virtually mint state and extremely rare."

By far the most important part of the sale, however, concerns the British coins, which range from the group of ancient British staters and the silver sceats of the Anglo-Saxons, through the hammered coinage of Norman, Plantagenet and Tudor periods, to the milled coinage of the past three centuries.

Specimen and presentation sets, such as the Indo-Chinese example already mentioned, have been a fashionable feature of numismatics for the past 150 years, but I was not aware that this practice existed at a much earlier date, albeit unofficially.

I was intrigued to note, therefore, that one lot consists of a presentation set of silver coins dated 1746, all having the word LIMA below the bust of King George II on the obverse.

The coins are contained in a modern leatherette case but it appears, from their brilliant condition, practically as minted, with a richly toned patina, that they had long been preserved as a set and this is borne out by their provenance rather than their present housing.

The coins were reputedly presented to Capt Philip Saumarez who commanded the Centurion in the fleet of Admiral George Anson who was despatched in 1740 to South America to harry Spanish shipping.

Anson's squadron of six ships was reduced to three by the time it had rounded Cape Horn and battled against severe storms to gain the shelter of Juan Fernandez off the Chilean coast. Though the strength of his crews had been reduced from 961 to 335, by shipwreck and scurvy, Anson met with little or no resistance from the Spaniards and harassed their shipping at will.

In November 1741 he even captured the important town of Paita but by now his squadron was reduced to the flagship Centurion. The remaining seamen were transferred to this ship and Anson then crossed the Pacific, refitting at Macau a year later.

Early in 1743 he set off in search of the richly laden galleons that plied between Mexico and the Philippines and on June 20 encountered Nuestra Senora de Covadonga off Cape Espiritu Santo, which he succeeded in capturing intact. Anson took his prize back to Macau, sold the ship and her cargo, and set sail for England with the specie which had been aboard the galleon.

Anson returned, via the Cape of Good Hope, on June 15, 1744 to a hero's welcome. On board he had £500,000 in gold and silver, part from the treasure-ship and part from the raid on Paita.

It was a tremendous windfall, at a time when bullion was in very short supply and there was a chronic shortage of coin in general circulation.

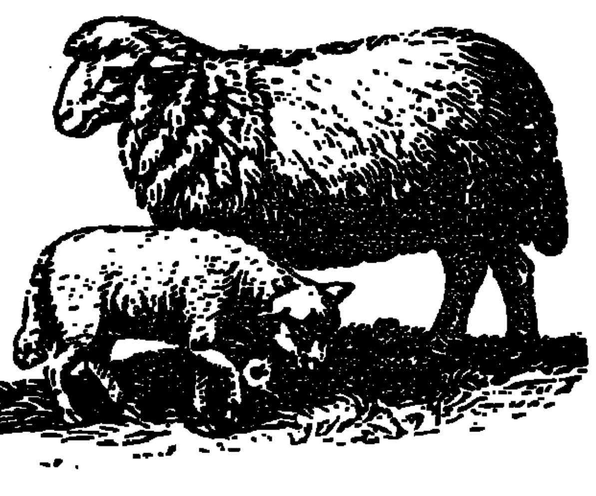
It was decided to inscribe the coins minted from Anson's treasure with the name of the Peruvian capital, partly to denote the source of the bullion and partly as a celebration of Anson's achievements.

Relatively few gold coins were minted in 1745-46 with this mark, but silver was coined in great abundance, with the result that the "Lima" coins of 1745-46 are worth little more than unmarked coins, and in some cases considerably less.

A gold medal was struck later to commemorate Anson's epic voyage and also his defeat of the French off Finisterre in 1747.

The Anson gold medal presented to Capt Saumarez was preserved with the set of coins and is also offered in this sale. This is one of those rare occasions when the sum realised by the coins is likely to exceed by a handsome margin the aggregate value of the coins according to the prevailing market value.

All we like sheep have gone astray



COUNTRY NOTES

JOHN CHERRINGTON

A SHEPHERD is an idealised figure of mythology and religion. A mixture of philosopher and supporter of the weak lamb, selflessly toiling to care for his flock. Because of the wide open spaces in which he grazed his charges his outlook would of necessity be far removed from the shallow concerns of everyday village and urban life.

I am afraid I must destroy this illusion. For the first two years of my working life I was a hill shepherd in New Zealand. My major concerns were keeping dry in the incessant rain, avoiding chillblains and saddle sores. I managed to keep my sheep alive for the most part and away from snowdrifts. But any weak lambs were knocked on the head as unlikely to turn into reasonable sheep.

As to the prospects of furthering the boundaries of my limited mind, most of my waking moments were devoted to worrying about my chances with one of the few girls living in the township 12 miles away who were surrounded by the more fortunate sons of farmers and businessmen who seemed to have time and money to spare and, what is more, were able to enjoy hot baths.

You see where I was living hot water was hard to come by, and there was a theory to the effect that if you did not wash through the winter the natural oils in the skin would insulate you from the cold and wet. This I found to be correct. I never had a cold or was ill from any cause. But after a long ride in heavy oilskins on a wet and muggy evening I found partners hard, if not impossible, to come by at the local hops.

But distance does lend enchantment and over the years I have become nostalgic about a shepherd's life and have forgotten all the drawbacks, or most of them. But I have enjoyed reliving some of my experience with that of Iain Thomson, a most devoted Highland shepherd. Mr Thomson took over the shepherd's job at Strathmore on Loch Monar in Wester Ross in the early '50s in an area of great natural beauty and extreme loneliness. His wife together with two children, one a baby of ten days, travelled in a storm up the loch and had to be carried ashore through waist deep water to make their home in the shepherd's house.

Their nearest neighbours were away across the loch, there was no telephone or electric light, and in winter certainly communication with the world outside was difficult. It was a hard but not unduly stressed life. As part of his wages the shepherd worked the croft, made hay for his two cows and calves. His meat supply was made up with venison in the salt barrel and trout from the loch. There was some hand feeding of the ewes but otherwise his main job was to see that the sheep were in the right areas to meet the changing seasons, into shelter for lambing and away from the tops when snow was threatening.

He certainly had plenty of time to think and study his wilderness, and he describes with great clarity his appreciation of the scenery and the characters of his neighbours some of whom had lived in their isolated steadings all their lives. There had even been a distiller of illicit whisky who when civilisation, that is the excise man, came close to nailing him secured a reward by betraying the position of his own still, realising he had better make the most of his retirement.

He was fortunate that he was able to enjoy his life free of illness and the demands of education for his family for four years before he was forced to leave. Not because of a sudden access of parental responsibility but because the area was to be flooded for a hydro electricity scheme.

But he would have to have gone anyway before long. The carrying capacity of the holding was insufficient to pay present day shepherds wages, the main income of the estate probably came from the sporting or it was supported by outside funds. But Iain Thomson is still in sheep and is now a sheep farmer in his own right and active in promoting their interests. But for all his obvious love of his situation at Strathmore it is worth questioning how long he would have stayed had the hydro scheme not turned him out. I think he really needed wider horizons than those of the Highlands. A very worthwhile book.

Isolation Shepherd, by Iain R. Thomson. Publisher Bidean Books. Distributed by Ochil Books, 48, Castleaw Crescent, Abernethy, Perthshire, at £9.95.

John Barrett reports from Flushing Meadow

Enter, the new John Lloyd

SIX TIMES U.S. Open champion, Chris Evert Lloyd, was nervous—not about her prospects against Martina Navratilova in this year's final, if they both reach that stage, as the seedings say they will—but about the outcome of the match she was watching.

Sitting alongside her coach, Dennis Ralston, and the British Davis Cup captain, Paul Hutchins, out on court 3 at the U.S. National Tennis Center in Flushing Meadow last Thursday, she tried to look relaxed, as her 29-year-old husband, John, a "wild card" entry, battled in the noonday heat against the tenth seeded Spaniard Jose Higueras.

This was more than just another match for John Lloyd. Ever since his marriage to Chris in April, 1979, John had struggled to recapture the form that had taken him to the Australian Open final in December, 1977, and helped Britain to the Davis Cup final against the Americans in Palm Springs the following year.

The pressure of being Chris's husband and the difficulty of keeping his own competitive fires alive, while helping her to add to her collection of major titles around the world, was too much for him.

From a ranking of 23 early in 1978, he slipped down to the 400s on the computer rankings, so that his direct route to tournaments was barred. Weekly attempts to qualify against tough and eager young men sapped his confidence.

Although he was hitting the ball well and sometimes did win through to the main draw, he lacked real belief in his ability. "Once I got into the draw, I couldn't produce the shots. I would get nervous and lose," he remembers.

Was all the effort really worthwhile, he wondered? Should he retire from the game? "About a hundred times, I decided to give it all up. The closest was last year in Australia. I was playing badly and I had terrible arm problems.

"The Australian Davis Cup trainer, Stan Nicholls, explained that unless I did some serious weight training and general reconstruction, I would need an operation. I knew it was now or never."

There followed months of hard training and practice with Ralston. For the first time in five years, the commitment was total. With renewed enthusiasm, technical flaws on the forehand were worked on and eliminated; the service became a weapon again; physical conditioning became a way of life.

The effects were startling. The naturally gifted athlete who had gone soft became hardened once more — both in muscle and in mind. "Chris and Dennis have had a lot to do with my improved attitude. I was getting my old belief in myself back again."

Which was bad news for Mr Higueras last Thursday. Playing this second-round match as if his life depended on it, John Lloyd produced a quality of timing and, more importantly, a hungry competitiveness that surprised the Spaniard.

In three competent and consistent sets, 6—3, 6—4, 7—5, Lloyd showed us again what a good fast court player he can be. And a shrewd one, too.

"Before the draw, Jose had remarked to me he felt the balls were terrible. They were too light, he said, and he couldn't control them. I remembered that, and attacked all the time to force him to hit passing shots and lobs."

For Paul Hutchins, busy regrouping his forces for the Davis Cup survival match against Chile beginning on September 30 at Eastbourne, the rejuvenation of Lloyd was a welcome sight.

"He hasn't played as well since beating Roscoe Tanner at Wimbledon in 1977 and John Alexander in our Davis Cup run the following year," he said. With Britain's regular No. 1, Buster Mottram, at a crossroads in his career, when he prefers to compete in league matches for his German club than in this major championship in New York (that is, when he is not contemplating a political career), it is vital that Lloyd should provide the singles strength.

Besides these two, Hutchins has selected Andrew Jarrett, who will certainly play in doubles with either Mottram or Lloyd, depending upon who is in form, and young Jeremy Bates, whose first tie this will be.

In spite of a special dispensation from the Davis Cup nations committee of the International Tennis Federation to allow Colin Dowdeswell to represent Great Britain, although he played a match some years ago for Rhodesia, Hutchins feels that the Swiss-based stockbroker is not yet fully committed to British tennis.

"Once Colin has shown that he fully supports the British game, and is prepared to play in our tournaments from a British base, then I am prepared to consider him. I don't think we've reached that stage yet."

Even if John Lloyd [illegible] the next round against the [illegible] ward American [illegible] Terry Moor, he has done enough already to show that he [illegible] have a future in the game.

The same is hardly true [illegible] one of our former champions, Virginia Wade, who on Thursday night was beaten 6—2, 6— in 73 minutes by the attractive young Hungarian, Andrea Temesvari. A winner here in 1968, Miss Wade still retains the enthusiasm and eagerness that make her always an entertaining player to watch, but the 38-year-old legs no longer carry her to the ball quickly enough.

She was philosophical about her departure and even retained her sense of humour, as her attractive opponent was universally admired by the young men in the crowd.

Following an outburst of wolf whistles, Miss Wade turned towards the stands and said "Would you like me to fix a date for you?" It was all rather predictable and inevitable, but at least Miss Wade has left us with some happy memories.


Chris and John—the pressures of marriage.

Ben Wright looks at the super-league

Enter, the new golf star

SOUTH AFRICAN Nick Price's feat in winning the World Series of Golf last Sunday was only one facet of the event that may have far-reaching consequences in Europe.

A change in the U.S. PGA tour's tournament regulations made during that event has opened the door at least to any European player ambitious enough to try his luck in golf's super league.

Previously, if for instance Spain's Seve Ballesteros chose to play in America he could only be guaranteed a release from a conflicting event there to play in the country of his birth while his British-born rival, Nick Faldo, could get away to play in many more in his native land —a ridiculously unfair regulation.

For Germany's Bernhard Langer the situation was even more ludicrous, since only one event, the German Open, is played there.

Ballesteros refused to play the required minimum of 15 tournaments in America this year as a member of their tour as a protest against the rule. He has succeeded in having it changed so that from now on no foreign member of the American tour will require a release to play in any event on his "home circuit," in all the instances cited the European tour.

It is therefore safe to assume that not only Ballesteros will defect to America next year, as has his rival and close friend, Australia's Greg Norman, but that Langer will be close behind him.

Durban-born Price's $100,000 jackpot, coupled with his ten-year guarantee that he can play in any American tournament, is bound to cause shock waves among the new breed of ambitious young Europeans.

The 26-year-old Price was previously infamous only for his complete collapse when leading the 1982 British Open at Royal Troon by three strokes with six holes to play, which allowed Tom Watson to gain the most hollow of his five victories, as he readily admitted.

In five years on the European tour Price won £79,485, and the 1980 Swiss Open. In South Africa he had won the 1981 Masters and the 1982 Vaal Reefs Open. He had previously been the 1974 world junior champion.

But after qualifying for the U.S. PGA tour with a solid third place finish at last year's school, Price had concentrated largely on rebuilding his game in Florida to prevent a recurrence of the Troon debacle.

He went into the World Series over the fearsome South course at Firestone Country Club in Akron, Ohio in 117th place on the money list with $28,828 to his credit.

He qualified by topping last winter's South African Order of Merit without, however, recording a victory on that tour. Ironically, the apparently ever-changing World Series format will now preclude Price's participation in next year's event by that method. The 1984 Series will include only the major winners from around the globe, regardless of nationality.

Price's performance in becoming the only winner ever to lead from start to finish in this event was all the more meritorious in view of the quality of his opposition. Among those finishing in the top 10 were second-placed Jack Nicklaus four strokes adrift, Johnny Miller (third), Watson, Ray Floyd and Hale Irwin, tied for fourth, Isao Aoki (8th), Hal Sutton (9th) and David Graham (10th).

Only Ballesteros of the four 1983 major champions chose not to compete. Because of the similarly regrettable absence of Faldo and Sandy Lyle, I had to tell Philip Parkin, the 21-year-old British amateur champion, less than an hour before his ordeal that he would have to address the multitude and carry the Union Jack at the flag-raising ceremonies.

The charming young Welshman was more than equal to the task, as was the subsequent quality of his golf. A student at Texas A and M University, Parkin, in his own words, "had a ball" at Firestone. He has a fine future, eventually as a professional.

Price started the final round with a two-shot lead which he eventually doubled with a splendid round of 67. The vultures fluttered their wings only once when the clinically efficient South African bunkered his tee shot to the right of the green at the 221-yard 15th hole.

But all thoughts of another collapse were dispelled by a brilliant long bunker shot that pulled up no more than a foot from the hole.

The lucrative events of the next month in Europe are a fitting prelude to the Bell's Scotch Ryder Cup matches to be played October 15-16 at the PGA National course in South Florida which will unbelievably witness Nicklaus and Tony Jacklin pitting their wits as non-playing captains.

Immediately before that on October 6-9 the World Matchplay championship at Wentworth will celebrate its 20th anniversary with a generous cash injection from the sponsors, Suntory, who hope that the majority of the 11 past champions invited back will show up to make this a delightful series of televised exhibition matches.

But it is not a true World Matchplay championship. In all fairness, the legendary Arnold Palmer, winner in 1964 and 1967, Gary Player (1965, '66, '68, '71 and '73), Bob Charles (1969) and Tom Weiskopf (1972) and have all seen better days, while Bill Rogers (1979) has publicly opted out of superstardom in favour of journeyman status, having nearly burned himself out a year ago.

Rogers is 37th and Weiskopf 86th on the U.S. moneylist, while its leader, the U.S. PGA champion, Sutton, is the only one of the four major champions not even invited.

This is a gross error of judgment by either the event's grandly named International Advisory Committee or its Championship Committee — whoever it is who decides these things.

But I have a quiet hunch someone will find a way to get Sutton to Wentworth to compete in an event worth £5,000 to eight first-round losers over 18 holes. The subsequent matches over 36 holes will reward the eventual winner with £35,000, just over half Price's haul.

The reason for my hunch is simple. Sutton's manager, Mark McCormack, whose brainchild the event was in the first place, serves on both committees, while more than one of his henchmen serve on either one or the other.

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Saturday September 3 1983

An ugly touch of winter

THE SUMMER is ending rather chillingly, with unpleasant realities dispelling the warm illusions of a fairly uneventful few months. No shock has been more unlooked-for than the brutal destruction of a South Korean civilian airliner by the Russians. In a sense, this should ~~not really~~ be surprising; we have always known that the Russians are paranoid, and on occasion ruthless; but the impression has been growing of a more sophisticated intelligence in command, a regime with which Lord Carrington at least would like to treat. This mysterious tragedy sets back all such hopes. Either Mr Andropov's regime is far more brutal and insensitive than had been hoped, or it is not fully in control of its military arm; it is likely to be a long and painful business to rebuild the tenuous trust which has been destroyed.

The coming days will perhaps do something to clarify this appalling incident: the Russians will no doubt give some fuller account of themselves, and perhaps the Koreans may have something to say about how a modern airliner came to stray so far from its proper flight path. But nothing that could be said could quickly dispel the suspicion and anger which has been aroused.

Another more easily predictable shock, which is also something of a mystery at this stage, is the sudden resignation of Sr Langoni, the Governor of Brazil's central bank. It has been clear for some time that there are strong forces in Brazil resisting the severe measures proposed by the International Monetary Fund as a condition of further credits, and there is always a temptation for a very large debtor to turn to its creditor banks and ask what they now propose to do to solve their problem: the gallows humour of economic recession has a folklore of such stories.

Moratorium

All the same, the hope has been sustained all summer that the problem could be tackled with decent reticence—a slow economic adjustment by the Brazilians, a creeping retreat, from rescheduling to rescheduling, by the creditor banks.

This looks much less likely now. The question is whether the creditor's terms can be softened enough to dress up the problem as almost entirely one of liquidity rather than solvency (and so spare bank shareholders write-offs of their assets) without immediately taking most of the pressure off other debtors. Rather than make uncomfortable adjustment, they will be tempted simply to lean on their bankers.

Informed City opinion seems to be looking for a creditor's moratorium, with a large deferment of claims, and gazing gloomily at the likely consequences. Western governments, which face large potential outlays to support their own banking system failing some such fudged solution may well be tempted to support this apparently soft option. They can hardly hope, though, to emerge with their reputation for realism and stringency unscathed.

At home, meanwhile, the consensus of forecasting opinion, embracing the dissident National Institute of Economic and Social Research as well as the Government's natural supporters in the broking houses and the CBI, suggests that we are facing our own moment of economic truth. Growth will peter out before the spring, and the Government will be left with the bleak prospect of financing the welfare of an aging population out of a stagnant economy. Mr Neil Kinnock even accuses the Government of having engineered an election boomlet. Ministers, waiting despairingly for resumed growth in our foreign markets, may secretly wish that they knew how to do it.

Scepticism

We are still doubtful of this consensus. The unemployment figures show a fall in the underlying level—miniscule, it is true, but the first favourable figure for four years. This is a relatively accurate figure in a sea of statistics which seem increasingly questionable, when last year's current surplus suddenly emerges enlarged by £1½bn, when the figure for public sector investment (which the Government is supposed to control as well as record) is revised upwards by 20 per cent, and the different measures of national income go off in opposite directions.

Our scepticism is not, it is true, founded on a deep study aided by sophisticated computers, but a commentator does have one advantage over a computer. A computer can only process the numbers fed into it; a commentator can be sceptical about the data as well as the forecast. Even as summer ends, we are not yet prepared to accept the gloomy consensus about the continuing strength of the recovery.

No such comfort is available to the delegates of the TUC assembling in Blackpool. Their falling numbers and declining influence are plain facts of experience. If they can now face these facts, as some of their leaders have begun to do, and define a new role for themselves, then they may before too long find that exposure to reality is bracing.

'America, stay angry'

By Reginald Dale, U.S. Editor, in Washington

THE LAST 24 hours have seen a wave of emotion and indignation sweep the U.S. As he gave his blow-by-blow account of the last hours of Korea Airlines flight 007 on nationwide television, the usually deadpan Mr George Shultz, the Secretary of State, could not keep a slight choke from his voice and a quiver from his lip. Around the country the cry went up: "Barbaric, cold-blooded murder."

With TV screens pouring out film of weeping families on Thursday night, impromptu demonstrations broke out in Washington outside the Soviet embassy and the Aeroflot offices. One of the placards read: "America, stay angry." It seemed certain that, for the time being at least, America would do so.

The Right, which will obviously be the immediate political beneficiary, was first off the mark with rallies and press conferences. There was, inevitably, a strong element of "we told you so."

The conservatives believe that the Soviet action (nobody here remotely questions the U.S. version of the incident) will cut the ground not only from under the nuclear freeze movement in the U.S. but also from under the "peace" movement in Europe. "I know 269 people who won't support nuclear freeze," read another placard in, to say the least, dubious taste.

But it is not just the Right that is up in arms. In their initial shock, politicians and foreign policy experts of every hue were assessing the gravity of the incident as comparable to that of the Soviet invasion of Afghanistan and the military crackdown in Poland—and calling for retaliation. The majority of the secretive intelligence community for once agreed that Mr Shultz had been right to risk jeopardising U.S. intelligence operations by revealing how much Washington knew of the details of the Soviet attack.

The extent of the outrage leaves President Ronald Reagan with both an opportunity and a problem. For the first time in many months, he has a Congress that is virtually unanimous in demanding vigorous foreign policy action and is likely to support any punitive measures he decides. More generally, he is going to find it easier to argue his case on Capitol Hill on a host of other controversial issues in the weeks ahead, ranging from the funding of his MX missile to his authority under the War Powers Act in the Middle East.

The problem is how to respond in the next few days. Nothing will bring back the victims, and, as the Administration has already perceived, the danger is that any retaliation may look more like an admission of American weakness than proof of strength. The country is not, after all, about to go to war. Mr Reagan's immediate order that flags around the country should fly at half-mast is already being likened to President Jimmy Carter's powerless gesture of lighting a candle for Poland.

Mr Reagan was initially slow to react. At first, while the TV pictures showed him riding a white horse at his California ranch, it was announced that he would not cut short his vacation. Then his return to Washington was brought forward by two days. Finally, he decided to fly back to the White House yesterday — three days early — and the word was put out by his officials that he was the most "cool, calm and collected" person in the country.

There is no shortage of suggestions as to what Mr Reagan should do. Leading Congressional Democrats have called for measures ranging from a cancellation of the new U.S. Soviet grain deal, signed only last week to the suspension of all commercial flights to and from the Soviet Union and the cancellation of next week's Madrid meeting between Mr Shultz and Mr Andrei Gromyko, his Soviet counterpart. Others have called for diplomatic sanctions, including down-grading the Soviet embassy in Washington and recalling the U.S. ambassador from Moscow, and a variety of trade and economic measures.

There are at least two serious difficulties about such actions. The first is that Mr Reagan himself has progressively moved away from a sanctions policy against the Soviet Union in recent months, partly because he has been seeking at least a mild improvement in relations with Moscow and partly because they simply do not work.

After the loud fanfares that accompanied the signing of the grain deal, presented as a purely commercial operation to benefit American farmers, he risks looking inconsistent and indecisive if he backs down, quite apart from the political damage he would suffer in the farm belt. The same applies to his recent decision to allow the sale of pipelaying tractors for the Siberian natural gas pipeline.

The second difficulty, as the earlier sanctions and embargoes proved, is that any unilateral U.S. action will have little or no effect if it is not accompanied by similar action by other countries, and particularly by its European allies. There is as yet no evidence that the allies are thinking in such terms—meaning, incidentally that the Europeans may once again be perceived by large sections of the American people as having let down the U.S.

It is ironic that an incident that Mr Reagan could so easily use to justify tough action against the Soviet Union has come at a time when he has been behaving in a more conciliatory manner towards Moscow. Apart from the relaxation of the grain and pipeline embargoes, he has consented to the European East-West security and co-operation compromise in Madrid and the Administration is preparing new efforts to appear flexible in the arms talks that are about to resume in Geneva. He is still holding out the possibility of a summit meeting with Mr Yuri Andropov, the Soviet leader, next year, provided it can achieve something "constructive."

In recent months Mr Reagan has kept up his anti-Communist rhetoric over central America, where the Administration believes that his tough policies are beginning to bear fruit, but there have been fewer direct attacks on the Soviet Union and there has been no repetition of his "evil empire" speech of last March, or of earlier throw-away remarks about nuclear war.

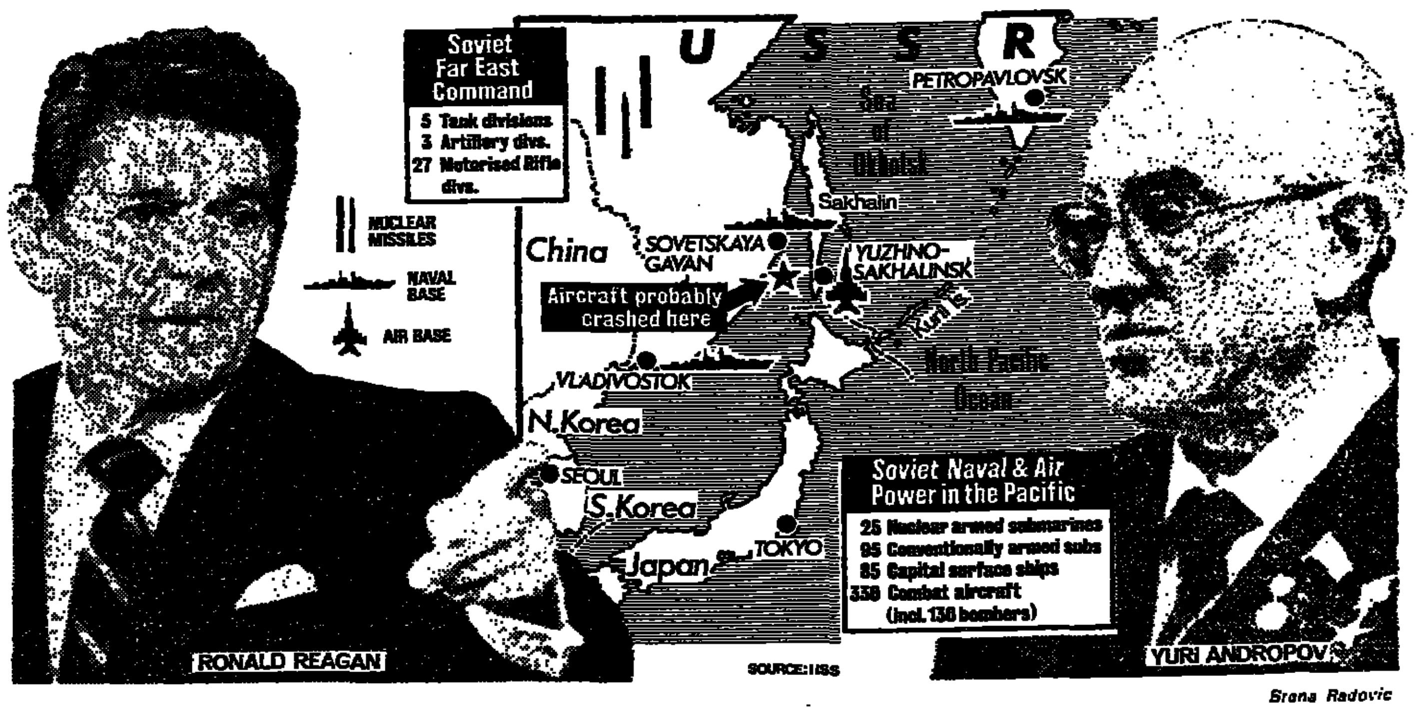
Mr Reagan has been influenced partly by the manifest failure of sanctions, and partly by growing unease among his advisers over his "warlike" image among the general American public and women voters in particular. Congress has made it clear that Mr Reagan can only get away with his continuing military build-up if he makes serious efforts to reach arms control agreements. While many of his opponents still doubt his sincerity, he has convinced enough of the waverers.

If it does nothing else, the latest incident will now strengthen the hand of those who do not really want any arms control agreements—on the grounds that Moscow can never be trusted—and lead to renewed demands for verification arrangements that may be unacceptable to the Soviet Union.

The key question, however, will be Soviet behaviour in the coming days. The incident is widely seen in Washington as a test of Mr Andropov's maturity and sophistication as a leader. If he gives a reasonably full and honest account of the incident and apologises, relations could get back on track much more easily.

If not, he will have played into the hands of the hawks, next week's Shultz-Gromyko meeting will be dominated by the incident and the prospect of a Reagan-Andropov summit will become more remote. Not even the Administration's toughest right-wingers are calling for a major rupture with Moscow. Amid all the emotion, the majority view remains that Americans share the same planet with the Russians and have to live with them, however disgracefully they behave.

In the end, as almost always in the conduct of U.S. foreign policy, domestic political considerations will prevail. If Mr Reagan thinks he needs a summit with Mr Andropov before next year's elections, he will continue to work for one. If the national outrage persists, Mr Reagan will want to reap the returns from the hardline approach which most naturally reflects his basic instincts.



Brana Radovic

THE SOUTH Korean Jumbo jet was shot down over an area which bristles with Soviet military bases and hardware.

Ironically, it took place only five days after Mr Yuri Andropov, the Soviet leader, signalled his awareness of Asian concern about the Soviet military build-up in the East by pledging to destroy any SS-20 missiles removed from the European theatre by the Geneva INF talks. This was in response to Asian fears that they would be merely added to the 120 or so SS-20s already deployed in Eastern Siberia against targets in Japan, China and elsewhere.

This conciliatory gesture now risks being submerged by the revulsion felt throughout Asia at the fate of the Korean plane. Instead attention will be refocused on the dangers inherent in the progressive militarisation of the Sea of Okhotsk area, including the naval, air and ground forces on Sakhalin Island and the Kuriles Islands.

Japan, in particular, has been incensed by the stationing of nuclear-armed backfire bombers on Sakhalin Island and above all by the militarisation of the four Kuriles Islands which it claims the Soviet Union illegally occupied after the Second World War.

Soviet refusal to give back these islands was a major factor behind the breaking off in 1978 of negotiations for a Soviet-Japanese peace treaty, which the Soviet side wanted to secure Japanese economic and financial assistance for the development of Eastern Siberia.

The failure of these talks was quickly followed by a Japanese friendship treaty with China, the Soviet Union's main rival in the region. The subsequent Soviet militarisation of the Kuriles and continuing military build-up in the Far East led to further strains in Soviet relations with its Asian neighbours and contributed to the Japanese decision to strengthen its self-defence forces and accept closer military co-operation with the U.S. This has resulted in Japan accepting responsibility for guarding the sea lanes up to 1,000 miles from its shores.

The tougher military line now being pursued by Japan was summed up by Premier Nakasone's description of Japan as an "unsinkable aircraft carrier." This led to a crude warning from the Soviet Union that Japan should remember the fate suffered by Hiroshima and Nagasaki, a comment whose insensitivity further shocked Japanese public opinion.

As far as China is concerned, the timing could not have been worse. Mr Andropov repeated his call for improved Sino-Soviet relations in his Pravda interview last week and Mr Mikhail Kapitsa, the Deputy Foreign Minister, is scheduled to visit Peking next week to prepare the ground for further negotiations in October. One of China's three conditions for an improvement in relations is a reduction in the 1m or so Soviet troops stationed along the Chinese frontier and in the Far Eastern theatre.

Back in the 1960s the Soviet Union perceived a need to contain China militarily. This and the growing economic importance of Siberia over the last two decades have been the prime motivating forces behind the Soviet arms build-up and growing awareness of the Asian, as well as the European, dimension of the country.

Given the size and complexity of this Soviet build-up which is roughly equivalent to the concentration of forces on the Kola peninsula facing Europe and America in the West, the whole area is subject to close satellite and other scrutiny by Japan, the U.S. and other Asian powers. It is to discourage this where possible that the Soviet Union imposes such a sharp surveillance with such draconian penalties for transgressors of the state frontier.

Anthony Robinson

Letters to the Editor

Gas

From Mr J. Stern.

Sir,—After accusing Deloitte, Haskins and Sells of missing the point in its report on the activities of the British Gas Corporation, Lex (August 30) then manages to go off at various irrelevant tangents for three columns.

Discussions on BGC's efficiency and how this could be improved — which are being conducted in an ideological climate which holds that nationalised industries can never be "efficient" and should therefore be privatised —are managing to conceal the important issues of the politics of gas pricing and the future sources of supply for this country. The call for a coherent, long-term gas pricing policy is welcome, but naive in that it ignores a history of government intervention, either raising prices to raise revenue, or holding them steady in order to keep faith with the electorate. In neither case has the appropriate rate of depletion of one of this country's most valuable asets received any discussion.

We are in sight of a time when low cost North Sea supplies will have to be replaced by indigenous and/or imported supplies which will inevitably be more expensive. The choices between domestic and imported supplies, and between various sources of imports, will be important. Privatising the industry and "leaving it to the market" is an answer only for those who do not want to do any thinking on the subject.

The most disastrous possible domestic outcome would be your suggestion of regional franchises under a regulatory framework. In the home of the free market, the Reagan administration is trying hard to unravel just such a regulatory nightmare which benefits only the armies of law firms and consultants which make a handsome living out of it. What we need in this country is not ideological wrangles about privatisation versus state ownership, but a gas policy which focuses squarely on the future options for the fuel within the totality of the energy balance.
Jonathan P. Stern.
Flat 1, 157 Stapleton Hall Road, N.4.

Drinks

From the Chairman, Benjamin Shaw and Sons

Sir,—I read with interest and exasperation Alan Forrest's article "Oh, those dandelion days!" on August 13.

As chairman of a company which has been under the ownership of the same family since its establishment well over 100 years ago I share memories of childhood enjoyment of traditional soft drinks in pre-war days. But I have not moved from the locality where I lived as a child and so I have been able to continue to enjoy, and indeed, in adult years, to manufacture, many of these old-established and refreshing drinks which have not until recently been available to the less-favoured residents of the southern half of the country.

Had Mr Forrest remained in Bradford he would have had no difficulty in obtaining supplies of dandelion and burdock which is produced not only by my own company but by every self-respecting soft drinks manufacturer in northern England where it is still one of the best sellers.

It does seem peculiarly ironic that you should only now — because a company whose origins lie, I believe, in London has decided to add dandelion and burdock to its range — become aware of the continuing existence of a drink which we have manufactured (without interruption even during the war) for a period certainly in excess of 80 years.

If Mr Forrest returns to his native Bradford he may also have the opportunity of sampling many other traditional drinks which are still a familiar feature of everyday life up here. One of the most popular of these is still lemonade — a traditional golden yellow variety in contrast with the insipid white product favoured in less enlightened regions.
R. N. Shaw.
Willow Lane, Huddersfield, Yorks.

Solidarity

From Mr M. Garztecki

Sir,—Your editorial on Poland (August 26) arrives at dubious conclusions on the basis of false facts supplied by the Warsaw Government. It is premature to claim that the go-slow in the Gdansk shipyards has been a flop until we obtain a full picture from credible sources inside the yards. Remember, in 1980 it took several weeks before the authorities admitted to strikes in Poland. The 800 people who you say have been freed from jails, according to the government's own admission, are mostly ordinary criminals, while only a fraction were imprisoned for their trade union activities—many of the latter category are still in Polish jails.

For your information, the underground is independent of the Church, it has its own printing and distribution network and benefits from widespread popular support. Using misinformation graciously supplied by Mr Urban, the Government Press spokesman, you falsely conclude that "Solidarity seems to be fizzling out rapidly." You thereby attempt to justify what seems to be your major preoccupation, whatever the truth about Poland, that "Western Governments must drop sanctions and re-open a dialogue with Warsaw."
Marek Garztecki,
Solidarity Working Party.
314-320 Gray's Inn Road, WC1

Innovation

From the Director, Centre for Decision-Making Studies, Tavistock Institute of Human Relations

Sir,—Michael Dixon reports (August 26) that the Prime Minister is about to launch a personal campaign to reduce the gap between technological innovation (at which we are good) and application (at which we are notoriously poor). He correctly identifies this as a problem of long-standing and shows how previous governments have—not very successfully — attempted to deal with this problem.

It seems that once again the main emphasis is being placed on the lack of sympathetic communication between academia and industry. There is no doubt substantial room for improvement in this area, but it is a gross over-simplification to see the under-utilisation of available technology and innovation as being largely due to a lack of contact between companies and researchers. Incidentally, I have just seen a report from the Soviet Union which analyses a very similar problem of gross neglect of modern technology and which comes to the same mistaken conclusion.

There is a lot of research evidence which shows that the culprit usually resides inside organisations in the complex process of decision making among senior managers or professional experts. The obstacles to accepting innovation are a combination of structural barriers and psychological resistance. There is extensive documentation on this from Britain and the U.S., as well as Scandinavia, and it is mainly the work of people who call themselves social scientists.

The neglect of this important source of evidence and the suggested solutions stemming from it is strictly analogous to the neglect of technological innovation. Both are due to tunnel vision derived from excessive specialisation, which prevents decision makers from scanning their environment without preconceptions.
Dr Frank A. Heller,
Tavistock Centre, Belsize Lane, NW3.

Gold

From Mr R. Kitzinger

Sir,—Mr W. Shaw writes (August 27) that there is not enough gold in the world to make a significant relationship with paper currency possible. He does not seem to be aware that what matters is not the total quantity of a commodity that serves as currency, but the rate at which the quantity can be increased. The lower this rate the more suitable is the commodity to serve as the ultimate currency.

Gold has filled this rôle admirably for thousands of years, and the present hiatus, which is not the first one, may last a few years more, but it will then become a matter of history.

Mr Shaw seems to imply that all paper money must be fully backed by gold. That is not how the gold standard works, or ever did work. All it does is to impose a measure of discipline on those responsible for managing currencies.

The fixed exchange rate system which was tried in the 60s and early 70s imposed a similar though slightly less strict discipline. If it had worked it would have produced a uniform inflation rate worldwide.

The present floating rate "system" still imposes a measure of discipline, at least on countries that care about their rate of exchange, but it has manifest drawbacks, the worst being the bandwagon effect in foreign exchange speculation: violent and uncontrollable movements in exchange rates are harmful to international trade.

Fortunately there are signs that a return to the gold standard is likely. How else can one explain the fact that hardly any gold has been sold by the world's central banks since the closing of the gold window? Another bout of double-digit inflation is probably necessary before the political climate will be ripe for a worldwide return to the gold standard, which I forecast will take place before the end of the century.
R. Kitzinger.
31, Oakwood Court, W14.

Interest

From the Deputy Director-General, Confederation of British Industry

Sir,—In your column of August 17, Anthony Jacobs, the chairman of BSM Holdings, expressed the hope that the CBI "which has been so effective in persuading Government to deal with the problem of the employers' national insurance surcharge, pursues with the same vigour the persuasion of Government that lower interest rates would do more for British industry than all the encouraging bulletins that are regularly issued, attempting to show that the British economy is now expanding rapidly."

Pressure upon Government to reduce interest rates to enable British industry to become more competitive in the world markets has formed a major part of CBI policy for the past three years.

Our Budget representations to the Chancellor this year stressed that interest rates should fall, being very high both in real terms and in relation to profitability. In a meeting with the Prime Minister and the Chancellor after the election, Sir Campbell Fraser and Sir Terence Beckett again stressed how important it was to get interest rates down. More recently, in a speech to businessmen on July 14, Sir Terence pointed out that it was not necessary for British rates to follow those in the United States.

Lower interest rates are essential to keep up the momentum of the recovery. Mr Jacobs can rest assured that the CBI will continue to campaign hard for further interest rate cuts.
Edward James.
103, New Oxford Street, WC1.

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Cable TV: the battle lines are drawn

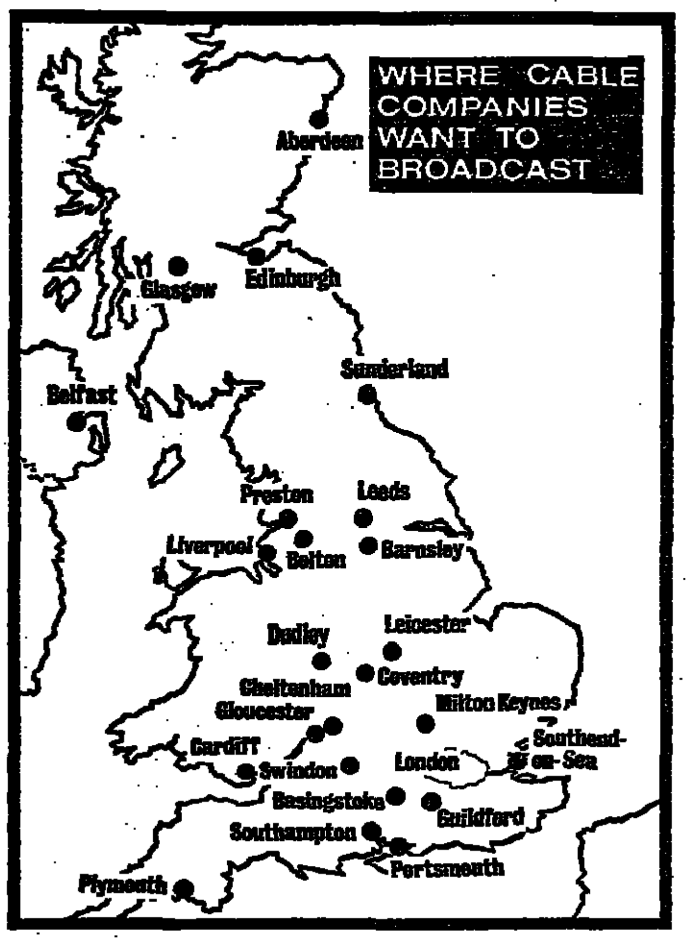
SOUTHEND-ON-SEA, at first glance, seems an unlikely candidate for the forefront of Britain's cable television communications revolution. But just after midday on Wednesday, a few hours before the deadline for applications, a local consortium put in a bid for one of the 13 multi-channel cable licences on offer from the Government.

Southend, says the consortium, Essex Telecable, is no longer just a pier and a haven for day-trippers from the East End of London, but a growing centre for business and headquarters for organisations such as HM Customs and Excise.

Even more important, says Mr Nigel Maw, a former chairman of Decca who is coordinating the bid, is the high proportion of home ownership, high expenditure on entertainment and survey results showing an "unstimulated" willingness of around 25 per cent of the population to pay £6.95 (plus VAT) a month for a basic service. This would include channels for news, sport, music, children and would allow local community-made programmes as well as "interactive services" such as home shopping and banking.

Essex Telecable is just one of around 30 consortia which this week moved forward to the starting line in the great cable race and bid for licences for areas as far afield as Aberdeen, Belfast, Cardiff and Plymouth. The winners will be announced by the Government in November.

"It's going to be like waiting for the results of an examination," says Mr Donald Wray, head of cable at British Telecom. BT is involved in 10 of the consortia and would design and install the cable network for them. In most cases, BT, which has carried out some of the most sophisticated research in the area, will also own most of the networks involved.



The bids include many from expected sources, such as established cable operators Rediffusion and Visionhire, and consortia sprinkled with financial institutions and merchant banks.

But there are also such diverse investors as former Beatle Ringo Starr, Lord Derby, the University of Sheffield and Dr C. J. Eaglen who wants to run an Anglo-Arabic network in the West End of London.

The "examination" is a stiff one. Already the first set of "markers," EIU Informatics, are at work assessing the application papers.

The successful bidders will be entitled to spend something in the region of £30m to find an answer to an even more difficult question: Are the British, already the heaviest users of video recorders per head of population in the world, prepared to pay enough for a greater choice of entertainment to make the projects pay.

Among those who believe the answer is "yes" is Mr Robin Hill, a marketing and advertising executive who has invested in two of the consortia putting in bids (Merseyside and Central London), and is an advisor on two others.

"I am interested in big city centre systems," says Mr Hill who has put around £60,000 of his own, largely borrowed money, into his cable projects.

The strongest challenge is likely to come from the major established companies in the cable field.

Rediffusion, Visionhire and Radio Rentals are all part of major groups—British Electric Traction, Electronic Rentals and Thorn-EMI respectively—with the resources to fund cable operations in the years before it becomes profitable. Some put the break even point seven or eight years down the road.

A further attraction for such groups is the prospect of setting off cable investment costs against taxable profits. It is believed that the cost of installing cable systems can be used to defer Corporation tax payments—at least until cable revenues start to flow.

This is believed to have been a key factor in the Ladbroke group's decision to apply for a cable licence in Ealing, West London.

In spite of the rush of applications, no-one really knows what the future market for cable will be. But Mr David Hepworth, head of Rediffusion's cable operations believes it is a gamble worth taking. "It's not licence to print money, but it's not a 1,000 to 1 shot either. I think it is a reasonable commercial risk."

Rediffusion, which has applied for interim licences for Leicester, Dudley, Guildford and Cardiff, is already well advanced with plans for a basic tier of 16 channels, including the BBC and IBA services. They would go live late in 1985.

For a fee of around £7-£8 a month viewers would have music, sports and general entertainment channels. There will also be a children's channel and hobbies channel covering everything from bee keeping to fly fishing.

Rediffusion will offer premium channels separately which would feature new films.

Two consortia have already been set up to provide film channels to Britain's cable operators. One is Television Entertainment, which groups Goldcrest, a Pearson Longman subsidiary, Home Box Office, the leading U.S. cable programme provider, 20th Century Fox and CBS.

The second group consists of Rediffusion, Visionhire, United International Pictures, Plessey and Rank Trident Satellite and Cable.

But customers of existing cable networks, which at present relay BBC and independent television broadcasts, could get a much wider choice of programmes as early as next April.

Mr Frank Hall, managing director of Visionhire, says he hopes to offer several new channels, including sport, general entertainment and music by the spring.

To do this Visionhire must put up aerials so that its customers can continue to receive BBC and independent television programmes while the cable channels are freed for new programmes.

The Government has insisted that the cable companies do this for customers—at the companies' expense. Rediffusion is planning to spend £2m on the operation and hopes to have 300,000 homes available for the marketing men to tackle in 1984.

The early arrival of a limited cable service on existing networks will give an important stimulus to programming companies and bring in early revenue.

It will also give clearer indications than market research or test schemes ever can on whether the consumer is prepared to go along with the Government and industry's determination to cable Britain

A NEW PHONE NETWORK IN EMBRYO

IS THE impending battle for Britain's television screens also going to turn into a tug-of-war over its telephones? It could if Mercury Communications, British Telecom's fledgling privately-owned rival, goes ahead with plans to provide voice and data services on cable television systems.

Mercury has discussed the idea with a number of the consortia seeking interim cable franchises, and several have included in their applications proposals to operate such services. "We consider it a viable and attractive proposition," says Mr Michael Davis of Windsor Television, which is bidding for a franchise for parts of Berkshire.

Though precise details have yet to be settled, the proposal is to use cable systems to parallel British Telecom's local telephone network, effectively establishing a set of local telephone companies. The service would be offered as an optional extra, on top of entertainment television. Initially, at least, subscribers would probably have to install another telephone as well as their BT receiver.

Since Mercury has few customers as yet, the project would only be attractive if they could reach BT subscribers by dialling into the latter's system, and vice-versa. Inter-connection is restricted at present, but Mercury expects the Government to clear the way later this year.

Mercury's own computer models suggest that addition of telephone services would enable many cable systems to reach break-even earlier and could contribute as much as 50 per cent of their net profits after about 10 years of operation.

Mr Stewart Bailey, Mercury's marketing director, believes that the service would be of interest to residential subscribers as well as businesses, which have been the main target of its sales drive so far. He claims that the cost of equipping cable systems to carry it would be relatively small.

In spite of strong Government encouragement, Mercury is not seeking to join any cable television consortia because it says that it is already fully committed to investing in a nationwide long-distance network.

Instead, it plans to offer cable system operators "distributorships" for local telephone services, which could also include the right to sell telephones and other equipment. The operators would probably be free to fix tariffs and terms of service and would take a share of the revenues. Mercury is the only company authorised to compete with BT and says that such arrangements would be permitted under its licence.

Such deals could give a big boost to Mercury, which is a joint venture between Cable and Wireless, British Petroleum and Barclays Merchant Bank. One of its problems has been to find economical ways of linking subscribers to its long-distance network, to be laid in ducts along British Rail track. It would be prohibitively expensive to try to duplicate BT's local telephone system, while alternative delivery methods such as microwave radio do not provide a complete solution.

BT, which is a partner in 10 cable consortia (as well as running six existing systems) does not plan to follow in Mercury's footsteps at present. Mr Donald Wray, head of BT's cable television unit, says that its studies show that it is not yet economic to offer telephone service on cable systems.

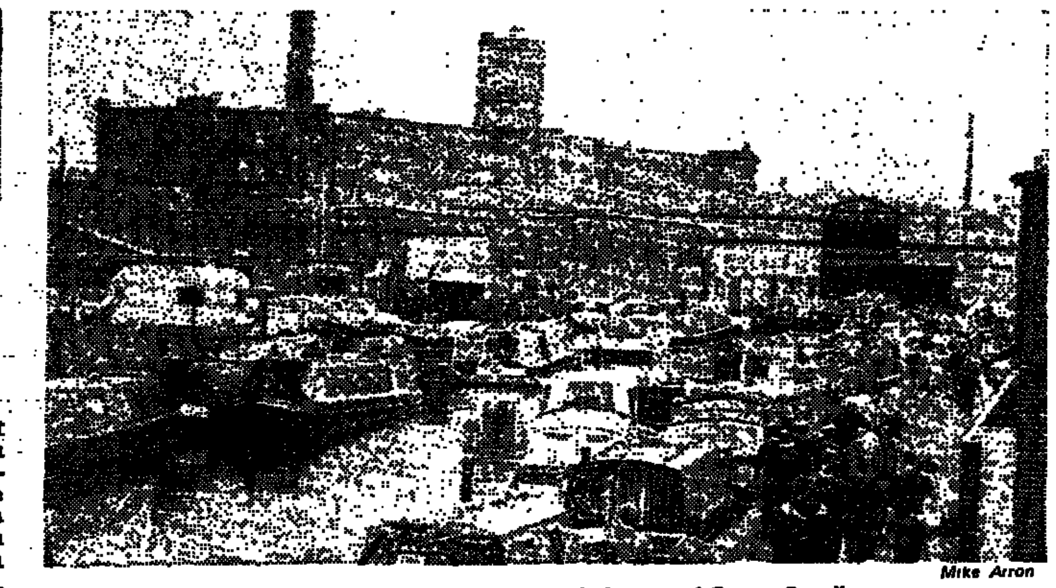
BT has other reason for being less than enthusiastic. It fears loss of traffic on its existing local network, which loses money heavily, and does not want to risk further inflaming its trade unions, which are already exercised about Government plans to privatise BT.

Even though BT doubts the financial viability of Mercury's plans, Mr Wray admits to being worried by them. "Speaking as an old telephone man, it seems very sad that there is a strong possibility of having a patchwork of telephone companies dotted all over the country," he says. "The chances of all of them interconnecting and working together are very remote. It's going back about 50 years."

Guy de Jonquieres

Weekend Brief

Not the road but the canal to Wigan Pier



Mike Arron

Canal craft at Wigan Pier—but not in homage of George Orwell

IT LOOKED like the British at their eccentric best. More than 20,000 people paid money during the Bank Holiday for the privilege of crowding along an unappealing weed-strewn length of canal snaking through a grimy northern town which, through one of George Orwell's books, became synonymous with the mass unemployment of the 1930s.

The objects of attention for the crush of visitors in Wigan last week end were the 427 boats that had chugged their way to the National Waterways Rally, in some cases along 700 miles of waterways and through 370 locks.

The venue was Wigan Pier. Orwell in his 1937 chronicle of social distress in Lancashire and Yorkshire—*The Road to Wigan Pier*—couldn't find the landmark which music hall performer George Formby senior elevated to a national joke.

The boaters would have told Orwell that instead of taking the road to Wigan Pier he should have used the Leeds-Liverpool Canal, a 127-mile long waterway which took 46 years to complete from its inception in 1770.

The annual rally is organised by the Inland Waterways Association partly to raise funds for the restoration of Britain's canals and promote their use. There are 3,000 miles of navigable inland waterway, 2,000 miles of which are controlled by the British Waterways Board.

This year the rally also provided a filip for the redevelopment of the area around Wigan Pier, a national "monument" almost buried in a maze of myths and reality.

A handsome brochure produced by the local metropolitan borough council on the subject says the "Pier" joke might have originated in 1891 when special trains carrying miners to a demonstration were halted near a coal gantry over the canal. The question "where are we?" initiated the reply from the signalman "Wigan Pier." The subsequent guffaws translated on to the stage into a string of jibes at Wigan's expense.

In reality, the canal basin at Wigan—big enough to launch cargo-carrying canal boats up to the 1950s—had a clutch of projecting landing stages or "piers." These were mainly used for loading coal onto barges though there were passenger-carrying packet services between Wigan, Manchester and Liverpool.

Some £2m is now being spent on developing Wigan Pier into a recreational spot by creating restaurants, heritage and leisure centres out of the cluster of buildings dating back as far as 1777.

The magnificent longboats, up to 70 feet in length, which came to the rally are a testament to the past. Nothing of course will bring back the amazing array of vessels which once plied the canals—the ice breakers pulled by 12 horses or the express "fly" boats with sharpened prows to cut through the towing ropes of slower boats.

But perhaps Wigan's urban blight and an unemployment rate now approaching 20 per cent would bring to Orwell, if he were alive, a faint taste of the pain he wrote about almost a half century ago.

Aussie shearers 'a-steaming for the loot'

MAN FOR MAN and pound for pound, your Australian sheep shearer can hold his own wherever aggro flares. Thus the smack of fist on face in shed and pub that is still being talked about Down Under has marked the final stages of one of the shearers' bitterest disputes: a strike over wider shearing combs.

Much of the trouble centred on Walgett, in the sheep belt of northern New South Wales, where in a recent clash, groups of local shearers battled bloodily with a rival band, many of them New Zealanders, claiming that the visitors had "scabbed" during the recent strike in Eastern Australia over the *introduction of wider combs.*

Of the battle of Walgett, which was later repeated on a subsequent Saturday night, a police spokesman said: "About 200 to 300 would have been involved all up, either actually fighting or agitating." According to a witness: "Fortunately they decided to keep it clean. The only weapons used were fists and feet."

In another incident, members of the Shearers' Union invaded a sheep station near Moree, also in NSW, and sabotaged machinery. They also destroyed scores of the controversial wide combs. The station owner, Mr Bill Hunter, has 10,000 sheep, and said his priority had been to get the sheep shorn, not about whether the shearers he had hired had been trade unionists or not.

The dispute is officially over, but in the pubs and in the shearing sheds, the mood is still sour. The trouble came in March, when the Arbitration Commission rejected an appeal by the Australian Workers' Union (AWU) against a decision to allow the introduction of shearing combs wider than 64 mm, as used throughout New Zealand.

The wide comb had been banned in Australia since 1939, the AWU claiming that it was not suitable for Merino sheep and that it strained the shearers' arms, wrists and shoulders.

Worse, many of Australia's 14,000 narrow-gauge shearers believed the woolgrowers would eventually use the wider combs as a lever to cut wage rates and lower work condtions.

It's a hard life, shearing—the tedium relieved mainly with beer and banter. "It's said there are more sheep shorn at the pub than in the shed," says one old-timer. "That's true. In the pubs all we talk about is our shearing and our tallies. In the sheds, all we talk about is women."

The current minimum shearing rate is A$90.48 (£49.76) per 100 sheep, rising to A$180.96 per 100 rams. With narrow-gauge cutters, a reasonable average tally is 150 a day, for wages of more than A$600 per week. It is not hard for a good shearer using wide combs to earn A$1,000 per week.

That is in the good times, but drought can decimate a shearer's earnings. According to one shearer: "the dispute over wide combs will sort itself out in time. Drought is another story. Trying to make ends meet makes a bloke 50 before he's 40."

Shearers pay their own travelling expenses between sheds in the outback, and there is no *overtime or pension.*

Yet they love the excitement and the mateyness of the sheds, as well as the chance to crack a few heads come Saturday night. There is also their pride, of which Banjo Patterson wrote best:

The bell is set a-ringing,
and the engine gives a toot,
There's five-and-thirty shearers
'ere a-steaming for the loot,
So stir yourselves, you
penners-up, and shove the
sheep along—
The musterers are fetching them
a hundred thousand strong—
And make your collier dogs
speak up: what would the
buyers say
In London if the wool was late
this year from Castlereagh.

Women's college built on a patent medicine

IT SEEMS ironic in this centenary year of the death of Thomas Holloway, an inventor of patent medicines, that the Department of Health is calling for the greater use of generic drugs and non-patented medicines. Expensive brand-name drugs prescribed by doctors are reported to be wasting the National Health Service £30m to £40m a year.

It should be remembered that it was with profits made from his patent medicines, "Holloway's Pills," and "Holloway's Family Ointment," that Thomas Holloway bought 90 acres of land at Mount Lee, Egham, Surrey, in May 1876, on which was to be built a college for women; *later to become the Royal Holloway* College, part of London University.

He paid £400,000 for the land, buildings, furniture, and pictures for the art gallery—the first picture being Sir Edwin Landseer's *Man proposes and God Disposes.* He gave a further £300,000 in 1883 to complete and endow the college.

The ointment, first announced for sale on October 15 1837, was reputed to have been concocted of harmless ingredients. But Holloway recognised the power of advertising. The earliest traceable advertisement was in The Town of June 16 1838 where the curative value of "Holloway's Family Ointment" was upheld by the senior surgeon of Middlesex Hospital, Mr Herbert Mayo.

Nevertheless success came only after a long struggle. Holloway got into financial difficulties through taking more advertising space than he could afford. In 1839 The Times foreclosed on him for a small debt, and he was also declared bankrupt and he was sent to Whitecross Street prison. When he was released he worked and paid his creditors in full with an additional 10 per cent for their trouble. It is perhaps understandable that he was said never to have read The Times again.

His advertisements were not the slick captions of today. They often ran to 120 words or more, which makes it easy to see how in 1842 Holloway spent £5,000 on advertising; in 1851 £20,000; in 1855 £30,000, and the amounts continued to rise until at the time of his death he was spending about £50,000 per year on advertising alone, the equivalent of more than £1.5m today.

He went regularly to the docks taking with him his pills, mainly made of castor oil and ginger, to sell to emigrants as a remedy against constipation on their long voyages.

Directions on the use of his patent medicines were translated into nearly every known language including Turkish, Armenian, Arabic, Chinese, and most of the vernaculars of India. And gradually the demand for his products grew.

Yet Thomas Holloway came from a humble background. He was born in Fore Street, Devonport, in 1800, the son of a one-time warrant officer in the militia who had retired to run a baker's shop. In his later years, Holloway lived with his wife Jane at a house in Tittenhurst, near Sunninghill, Berkshire, until she died in 1875. It was largely through Jane's encouragement, and as a memorial to her, that Holloway founded the college that he originally intended to be for women only.

Whatever one's views, the question remains: would there have been built the magnificent sanitorium at Virginia Water for the mentally afflicted, or *the Royal Holloway College,* without the profits from patent medicines made by that generous 19th-century public benefactor from Devonport, Thomas Holloway?

Did Trevor Bailey ever hit a six?

LIKE ALL professionals, my colleague Alan Forrest, is a cricket enthusiast, so it was not surprsing that he should be talking about his favourite sport while he was in the Algarve.

In the course of the conversation he mentioned that one of his colleagues, Trevor Bailey, lived so close to a park where Essex had played cricket (and Hedley Verity—whose father was Forrest's grandmother's coal merchant—had once captured 16 of their wickets) that Trevor could reach it with a six from his garden.

This brought the not altogether surprising comment that it could not be true because Trevor Bailey had never hit a six.

Alan related this story with considerable Yorkshire relish to Trevor before lunch at the FT. The former England cricketer then informed Alan that not only had he struck a six, but was prepared to bet him the cost of the lunch that he had hit the most financially rewarding six in the history of Test cricket.

Although Alan should have known better, he accepted the bet, and naturally ended up meeting the bill.

It turned out that during the MCC tour of Australia in 1954-1955 a Brisbane businessman had offered £100 to the first player from either side to hit a six in the first Test Match.

Though somewhat out of character—he still bitterly regrets not having a bet with the bookmakers who would have given him at least 100-1—Trevor collected the cash which today would have been worth £1,000.

The outcome after the match was a team party, which lasted most of the night and much later a lunch on Alan Forrest. It was not the biggest six, it was not the most important, it was certainly not the most beautiful, but it was unquestionably both the most improbable and profitable.

Contributors:
Nick Garnett
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Economic Diary

TOMORROW: International Autumn Trade Fair opens in *Leipzig (until September 10).*

MONDAY: Trades Union Congress opens in Blackpool—address by the outgoing chairman, Mr Frank Chapple, and election of General Council (until Septmber 9). EEC Agriculture Ministers hold informal meeting in Athens. Organisation of American States start five-day meeting in Caracas on debts.

TUESDAY: Final July retail sales. Credit business (July). Provisional producer price index numbers for August. Provisional estimates of monetary aggregates (mid-August). London clearing banks' monthly statement for mid-August.

WEDNESDAY: Advance energy statistics for July. UK balance of payments figures (second quarter). Financial Times conference on "Asian energy" in *Singapore (until September 8).* Second round of EEC-U.S. steel talks in Geneva. Provisional closing session of the European Security Conference in Madrid.

THURSDAY: Provisional figures of vehicle production (August).

FRIDAY: Central Government transactions (including the borrowing requirement) for August.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	7.00	7.25	8.25	9.00	2-yr. Bundshare, 3 m. not./pen.
				8.25	High Option, 3 mth. not. no pen.
				8.25	60 Plus, 6 y. on dem. (int. pen.)
				7.75	7 days' notice, no int. penalty
Aid to Thrift	7.90	8.50	—	—	
Alliance	7.00	7.25	8.25	9.00	2 yrs., 3 mths' notice/penalty
Anglia	7.00	7.25	8.25	8.25	3 yrs., 2 mths.' notice/penalty
				8.25	Capital Sh., 1 mth.'s notice/pen.
Birmingham and Bridgwater	7.00	7.25	8.75	8.25	Extra Interest Shares
Bradford and Bingley	6.75	7.25	8.25	7.75	7 days' notice, no penalty
				8.25	1 m. not. or on dem. (int. pen.)
				8.75	3 m. not. (int. pen.), reg. inc.
Britannia	7.00	7.25	8.25	7.75	7 days' not., 8.25 2 mths.' not.
Cardiff	6.75	8.00	8.75	—	
	—	*8.50	—	—	* Share a/c bal. £10,000 & over
Catholic	7.00	7.50	8.50	8.25-8.50	Monthly Income Accounts
Century (Edinburgh)	7.25	7.75	—	8.75-9.50	Fixed terms 2/3 years
Chelsea	7.00	7.25	8.25	8.50	m. wdl. (int. pen.) or 1 m. not.
Cheltenham and Gloucester	7.00	7.25	8.25	8.25	Gold account £1,000+ no notice no penalties. Monthly interest £5,000 min. 8.57 if compounded
Citizens Regency	7.00	7.50	9.00	8.40	plus a/c £2,000+, no not./pen.
City of London (The)	7.25	7.50	8.25	8.25	4 mths.' notice—no penalty
Coventry	7.00	7.25	8.50	8.75	4 yrs., 8.50 3 yrs., 8.25 3 mths.
				8.00-8.75	28 days' notice/penalty
Derbyshire	7.00	7.25	8.50	8.25	
Greenwich	—	7.25	8.50	9.25	Subject to notice/balance
Guardian	7.00	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.00	7.25	8.25	8.25	Xtra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	7.00	7.25	8.50	8.00	1 mth. not., 8.25 Flexi-Term
Hemel Hempstead	7.00	7.25	8.50	9.25	2 yrs., 8.50 3 months
Hendon	7.50	8.25	—	9.25	6 months, 8.75 3 months
Lambeth	7.00	7.50	8.75	9.25	6 mths., 9.10 28 days, 8.25 3 m.
Leamington Spa	7.10	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.00	7.25	9.00	8.75	5 yrs., 8.25 1 mth. interest pen.
Leeds Permanent	7.00	7.25	8.25	8.25	3 yrs., E.I. a/c £500 min. 8.00
Leicester	7.00	7.25	8.25	9.05	3 yrs., 8.25 3 months
London and Grosvenor	7.00	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.00	7.75	—	9.00	6 mth. not. or 2 m. not. + pen.
Midshires	7.00	7.25	8.25	9.00	2-yr. Term Share, £1,000 min.
Mornington	7.80	8.50	—	—	
National Counties	7.25	7.55	8.55	9.10	28 days' notice £500 min.
National and Provincial	7.00	7.25	8.25	8.25	1 mth. not. also mthly. income
Nationwide	7.00	7.25	8.25	9.00	2 yrs., £1,000 min. wdl. with 90 d. notice and pen. Bonus a/c
				8.25	£500 min. im. wdl. with pen.
Newcastle	7.00	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand 28 days' interest penalty
New Cross	8.00	8.25	—	8.25-8.75	on share accs., depending on min. balance over 6 months
Northern Rock	7.00	7.25	8.50	8.00	High Int. Sh. 8.25 Prem. share
Norwich	7.00	7.25	8.50	8.50	City a/c imm. wdl. no penalty
Paddington	6.75	7.75	9.25	8.75	Loss 1 mth. int. on sums wdn.
Peckham	7.75	8.00	—	8.50	2 y., 9.00 3 y., 9.50 4 y., 8.25 Bns.
Portman	7.00	7.25	8.75	8.75	2 mths., 8.25 Flexi-Plus
Portsmouth	7.35	7.55	9.05	9.40	5 yrs., 9.00 6 mths., 8.50 1 mth.
Property Owners	7.25	7.75	9.00	8.75	28 days
Scarborough	7.00	7.25	8.50	8.25	Money Care + Free life insce.
Skipton	7.00	7.25	8.50	8.25	1 month's notice, 8.60 3 years
Stroud	6.75	7.25	8.50	8.85	3 months, 8.25 1 month
Sussex County	7.00	7.25	9.00	8.00	7-day County share account
Sussex Mutual	7.25	7.50	9.00	7.75-9.00	
Thrift	7.15	8.15	—	10.15	5 yrs. term. Other accnts. avail.
Town and Country	7.00	7.25	8.25	9.00	2 yrs., 60 days' wdl. notice
				8.50	imm. wdl. 28 days' interest loss
Wessex	7.25	8.30	—	—	
Woolwich	7.00	7.25	8.25	8.25	90 days (interest loss)
				8.25	Special Interest Shares, 90 days' not. or imm. wdl. with 90 days' interest loss (minimum £500)
				8.00	imm. wdl. 28 days' interest loss
Yorkshire	7.00	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the invester.

Utd. Newspapers' £30m rights to fund purchase of U.S. publishing house

BY DOMINIC LAWSON

United Newspapers, publisher of 60 titles including Punch and the Yorkshire Post, is to acquire Gralla Publications, a New York based publisher of trade magazines, for a minimum $44m (£29m).

The acquisition is being financed by a rights issue of 14.7m shares at 210p ex div, on a two-for-three basis, which will raise £30m. United simultaneously announced that its profits for the first half of 1983 were £4.56m, an increase of 36 per cent.

The issue was underwritten by Samuel Montagu.

Yesterday, United's shares closed at 246p, a 24p drop from the all-time high of 270p. In explanation, Mr David Stevens, the chairman of United, said: "It is a very heavy rights issue, and it was a bad day in the market to do it."

Gralla was founded in 1955 by the brothers Larry and Milton Gralla, who run the company and have a controlling share stake. The company, which publishes 15 magazines, has enjoyed a compound profits growth rate over the past five years of 20 per cent.

In the year 1982, Gralla made $7.3m pre-tax and in the first six months of this year has produced $6.2m. At the last year end the company had net tangible assets of $7.5m including $6.4m in cash and securities. A central condition of the deal is that the Gralla brothers will remain with the business for at least four years.

Mr Stevens said that he had been approached by Gralla, through a firm of consultants, in July. He added "we asked what price they wanted and we more or less agreed that." However, at the suggestion of United, above the $44m, there is a further variable amount dependent on profits.

The additional figure will be equal to 1½ times the amount by which Gralla's operating income from 1983 to 1986 exceeds a base figure. That figure is $7.7m this year, rising in annual steps of $300,000 to $8.6m for 1986.

This deal is United's third—and largest—U.S. acquisition within a year. Last September it bought PR Newswire for $9.5m, and in July added Mediawire Corp. Last month the Secretary of State for Trade and Industry gave United the go-ahead to acquire the Ackrill group of 10 local newspapers based in Harrogate; this will be completed in November.

In May, United was outbid by Extel in an effort to acquire Benn Brothers. At that time Mr Stevens said that he wanted United to be a £100m capitalised business by the end of 1983.

Mr Stevens said yesterday that United would be capitalised at about £90m post acquisition. But he added: "It is not our intention to undertake any further significant acquisitions in the near future. And by the near future I don't just mean the difference in time between two editions of a newspaper."

Interim results of the group for the first half of 1983 show turnover ahead £6.1m to £53.22m, trading profit advancing 67 per cent, from £2.58m to £4.32m, and the pre-tax balance rising from £3.36m to £4.56m.

The Doncaster Evening Post was closed on May 6 and further manpower economies at Wigan and Leeds reflect the emphasis within the group on cost control—it is this single factor which has enabled the newspaper division to increase its profit margin. Advertising volumes remain much as last year and no large or immediate increase is foreseen.

The magazine division is performing well and the majority of the printing companies have held on to their turnover and margins in a difficult market.

After tax £1.73m (£1.48m), extraordinary charges £336,000 (£64,000) mainly relating to the Benn Brothers bid, and the preference dividend £42,000 (same), the available balance for ordinary holders is £2.45m (£1.77m). Earnings are 12.7p (8.4p) and the interim dividend is raised to 5p (4.5p).

See Lex

First half profits soar past £1m at Church

PRE-TAX profits at Church and Co almost doubled from £561,000 to £1.05m in the half-year to June 30, 1983. Mr I. B. Church, chairman, said in his annual statement that 1983 had started well and the results for the first six months would show that that trend had continued with substantial improvement from all sectors of the business.

His hopes have been fulfilled, and he says now that UK retail sales—while showing patches of down-turn, first with the appalling wet Spring and more recently, the extremely hot weather—are still running ahead of 1982 when full year profits were £1.86m.

He hopes this increase will hold or improve, and together with good factory profits and better overseas results, should give a satisfactory outcome for the year.

Turnover of this Northampton-based manufacturer, wholesaler and retailer of footwear, rose from £17.48m to £20.15m in the half-year.

Tax provision was higher at £268,000 compared with £184,000, and after same-again minorities of £3,000, attributable profits were up from £394,000 to £780,000. The interim dividend is raised from 2.5p to 3p net—last year's total was 9.5p.

Stated earnings per 25p share climbed from 7.6p to 15p.

James Dickie disappoints at halfway

Disappointing results have been announced by James Dickie and Co. (Drop Forgings) for the six months to April 30 1983.

Turnover fell from £2.09m to £1.92m and profits at the pre-tax level were lower at £16,547 *against £24,648*.

The trading level deficit was almost the same at £4,848 (£4,475) and the pre-tax result was after lower interest received of £21,395 compared with £29,123.

However, the interim dividend is maintained at 1.5p with earnings per share at 0.43p (0.64p).

Conditions are still very difficult, say the directors, and both factories are working well below capacity. The foundry, in particular, has suffered a considerable fall-off in orders which has resulted in short time working during part of the first half.

There is still excess capacity in both drop forgings and grey iron castings and competition remains fierce, they add.

The directors stress that every effort is being made to attract new work to improve on the company's present level of production. A slight easing of the depressed state of the market should bring an improvement in trading results, they say.

Last year the company made profits of £69,480 (£28,515), but Mr W. W. Dickie said that the small improvement in trading conditions over the year was achieved as a result of economies and not through any upturn in demand for forgings or castings.

Whitworth Electric downturn

As expected, there is a shortfall in Whitworth Electric Holdings' full year pre-tax profits, however the dividend is being maintained at 1.51p per share.

At the interim stage, Mr R. A. A. Thomas, chairman, said that the persisting difficult market conditions would be reflected in the results for the year to March 31 1983. The taxable surplus for the 12 months fell by £207,000 to £483,000 on turnover of £15.83m against £15.13m.

The group, which is a wholesale distributor of electrical components, maintained the gross trading profit percentage, but there was a further fall in attributable profits to stock inflation.

The directors say that it is too early to report any significant upturn in the company's trade. In some areas, however, there are signs of an improvement in sales volume. They add this is despite the fact that the electrical contracting side of the business has a longer lead in time following any upturn in market conditions.

Tax for the year was higher at £120,000 against £77,000 leaving earnings per 5p share at 9.2p compared with 15.5p.

Sheldon Jones expands and lifts dividend

A final dividend of 3p from Sheldon Jones lifts the total to 4.35p for the year ended May 31 1983, compared with 3.9p. For the first time the trading profit exceeded £1m, moving up from £860,000 in 1981-82 to £1.03m.

Turnover of this USM quoted animal feed maker and agricultural merchant advanced by £3.74m to £17.14m and the profit by £98,000 to £948,000, subject to tax of £371,000 (£160,000)—there were exceptional capital allowances last time.

Earnings came out at 11.2p (13.2p) actual and 8.8p (7.9p) fully paid.

The level of trading was sustained for the whole of the second half, the directors report.

Renold

Sir Campbell Adamson, chairman of Renold, told the AGM that the various plant closures and product transfers in the rationalisation plan would be completed by the end of the year, although the effects should start to show through in the final quarter. However, he was not able to say when dividends might be restored.

Main growth areas for the future would be hydraulics and electronics, he added.

Memcom allocation

The offer for sale by Memcom International has been oversubscribed. Excluding the 600,000 shares preferentially allotted, applications totalling 2,339,500, for the remaining 1,320,000 shares at 81p each were received.

The basis of allocation is as follows:—applications for up to 1,000 shares receive the allotment in full; 1,001 to 2,000 shares get 1,000; 2,001 to 3,000—1,500; 3,001 to 4,000—2,000; 4,001 to 5,000—2,500; 5,500 to 10,000—4,000; an 11,000 and over will receive 30 per cent of the shares applied for.

Letters of acceptance are expected to be posted by Monday and Afcor Investments will commence dealings in the shares next Wednesday.

Coates Brothers

Coates Brothers has convened a meeting for November 14 to consider the proposal to repay the preference share capital and to update the company's Articles of Association, including those relating to the company's borrowing powers.

BIDS AND DEALS

Cope Allman brings forward its results to thwart Mr Ashcroft

BY ANDREW ARENDS

Cope Allman, the packaging, leisure and engineering group is to advance its preliminary announcement of results in an attempt to dissuade shareholders from accepting Mr Michael Ashcroft's tender offer for a further 3.87m shares in the company.

The results were originally scheduled to be announced on September 12, three days after Mr Ashcroft's offer had expired.

The Board of Cope Allman announced yesterday that, in view of Mr Ashcroft's tender offer, it would release the figures for the year to July 2 which, it claims, will show pre-tax profits "substantially in advance" of the figure of £2.6m forecast in March. The company advised shareholders to take no action with respect to the tender offer until they have considered the preliminary results.

The company said that it viewed "with concern" the ruling of the Takeover Panel under which Mr Ashcroft, through his industrial holding company, Hawley Group, has been permitted to purchase further shares in the group. This would increase his stake from 20.18 per cent to a maximum of 29.99 per cent — the highest holding he can have without mounting a full bid for the company.

HOPKINSONS

Hopkinsons Holdings has acquired T. and P. England, a Huddersfield based company providing a maintenance and reconditioning service for beer dispensing equipment.

The consideration amounts to less than 3 per cent of Hopkinsons' net assets.

Drake & Scull disposal

Drake and Scull, the mechanical engineering group, is planning to dispose of two of its smaller subsidiaries for under £1m.

The company said yesterday that Sturtevant Engineering Company of Brighton, which makes industrial vacuum cleaners, and Sturtevant Engineering Products of Manchester, which manufacturers industrial fans, were peripheral to the group's main operations, and that it hoped to complete negotiations for the sale of the subsidiaries by October 31.

Sturtevant Engineering is marginally profitable but Sturtevant Engineering Products is currently in loss.

The announcement comes on the eve of the posting of the formal offer document from Simon Engineering, detailing its £22m bid for D rake and Scull. Drake and Scull has denied that the planned disposal of the Sturtevant subsidiaries was in any way connected with the Simon bid.

Drake and Scull's chairman is Sir Monty Finniston, the former chairman of the British Steel Corporation. In the year to October 1982 the group made profits of £4.1m on turnover of £117m.

NO PROBES

The following mergers are not to be referred to the Monopolies and Mergers Commission:

Comben Group/William Whittingham (Holdings) and Citibank NA/Grindlays Holdings.

TELEMETRIX MOVES DIRECT INTO U.S.

Telemetrix, the Tewkesbury-based electronics holding company, has opened its first sales and service subsidiary in the U.S.

Called Westward Technology Inc, it is located at Boston and will initiate the group's move into North America.

Group companies have obtained orders worth £500,000 over two years from advanced electronics manufacturers in Canada and the U.S.

HOOVER

Hoover, the UK subsidiary of the U.S. domestic appliance manufacturer, said yesterday that any bid would be made by its U.S. parent company in the short term.

Hoover announced in the U.S. late on Thursday that preliminary discussions were taking place which may or may not lead to an offer being made for the shares it did not already own in the UK group.

The U.S. company owns 73 per cent of the voting shares of UK Hoover and 48 per cent of the non-voting shares.

W AND A/ANGLO AFRICAN FINANCE

W and A Investment's offer for Anglo African Finance (other than that part owned by the Textile Investment Company) has become unconditional in all respects. W and A has received acceptances in respect of a total of 7,957,492 AAF ordinary shares (86.32 per cent).

W and A's agreement to acquire Textile Investment (other than that part owned by AAF) is also now unconditional.

Acceptances received under the offer include 5,178,998 AAF ordinary shares (56.2 per cent) and when added to the 2,777,250 ordinary (30.1 per cent) held by Textile Investment, amount to 7,956,848 shares (86.31 per cent).

The offer will permanently close on September 16 1983.

KCA INTERNATIONAL

The resolution to approve KCA International's disposal of its holding in KCA Drilling has been passed and the contract with Rosshold is now unconditional.

JARDINE BROKERS

Agreement has been reached in principle for Jardine Insurance Brokers to acquire Woods & Maslen.

SHARE STAKES

Ferguson Industrial Holdings—Sun Life Assurance Society has an interest in 1.34m shares (5.113 per cent).

F. H. Tomkins—Simon and Coates confirm that on August 18 they bought 50,000 shares, on August 22 they sold 16,250 and on August 22 they bought 60,000 ordinary shares in Tompkins, all on behalf of clients. Simon and Coates' deemed holding is 5.78m ordinary.

Noble and Lund—Dawson and Sanderson has acquired 286,000 stock units (5.01 per cent).

Home Counties News—Hartson Nominees has acquired 190,000 ordinary (7.6 per cent).

Pict Petroleum — Securities Trust of Scotland has sold 300,000 ordinary shares and its *holding is under the percentage* of declarable interest.

Forshaws Burtonwood Brew—R. A. Gilchrist (director) acquired 185,850 shares and holds 291,125. Mrs F. E. Gilbert-Harris acquired 185,850 shares and holds 214,025. Both acquired by transfers previously held by trustees.

London Private Health — Bankers Investment Trust holds 440,000 ordinary shares (11 per cent).

Birmingham Mint—Prudential Corporation holds 119,420 ordinary (5.85 per cent).

Aberdeen Trust—On August 30 London and Manchester Group bought in the name of a subsidiary (London and Manchester Assurance Company) 225,000 ordinary. As a result, group interest is increased to 8.68m ordinary (including company's pension fund holding of 7,500 shares).

Abwood—G. J. Suckling, chairman, has sold 500,000 ordinary.

Muirhead — Muirhead has bought £12,500 nominal of the 7¾ per cent debenture stock 1988-93 for redemption.

Hawtin—In their capacity as trustees, P. Hawtin and A. Haydock, both directors, have disposed of their interest in 456,388 ordinary. Percy Hawtin, a director, has recently sold a total of 456,388 ordinary shares as a trustee of the Frank Hawtin Discretionary Settlement.

Parkdale Hldgs.—N. McMahon Turner, a director, has purchased 25,000 ordinary.

Joseph Webb—380,000 ordinary shares have been disposed of by D. R. Morgan and R. C. Evans, both directors and trustees. The said shares have been acquired by the trustees of Joseph Webb and Co. (1979) Pension Fund. 98,500 have been disposed of by D. R. Morgan and R. C. Evans, both directors and trustees, the said shares have been acquired by Builders (Coseley) in which *J. M. Webb, a director, has a* controlling interest.

Drake and Scull—On August 26, Simon Bought 971,760 Drake ordinary at 117$\frac{1}{32}$p and 1.56m at 122$\frac{1}{16}$p. Simon owns 2.53m Drake ordinary (13.8 per cent).

Hambros Inv. Tst. — Hellenic and General Trust has disposed of 1m ordinary. Total holding is 5.25m (9.84 per cent).

Atlanta, Baltimore and Chicago Regional Investment Trust — A further 40,000 ordinary in Shires Investment have been purchased taking its holding to 262,500 shares (10.5 per cent).

Abwood Machine Tools—G. J. Suckling, chairman, and A. M. Kaye, director, have sold 1m and 500,000 ordinary shares, respectively.

Ashley Industrial Trust — Spanwall Ltd, a subsidiary of Choulartons, has become the beneficial owner of a further 62,500 ordinary shares. Choulartons and its subsidiaries now hold 2,560,304 shares (50.96 per cent).

Boustead—Teck Hock and Co (PTE) of Singapore, together with directors of that company, has combined holding of 2,861,500 shares (8.19 per cent).

Combined Technology Corpn—Al-Nakib Investment (Jersey) holds 7,524,271 shares (10.06 per cent).

Datastream — The following companies have informed a change in their substantial interests in the ordinary shares: Bankers Invest Trust, TR Australia Invest Trust, TR City of London Trust, TR Natural Resources Investment Trust, TR Technology Investment Trust, and TR Trustees Corporation are between them interested in 908,001 shares (6.83 per cent). Previously TR Property Investment Trust had also been interested in these shares.

Drayton Japan Trust—Provincial Insurance is now the beneficial owner of £456,550 2.8 per cent preferred stock (31.5 per cent of that class).

Exploration Co—Major M. W. Paris, director, has acquired 100,000 shares, thereby increasing his holding to 401,838 shares.

Geevor Tin Mines—RTZ has purchased 50,000 shares and increased its holding to 581,200 shares (19.55 per cent).

General Electric Co—S. Z. De Ferranti has increased his beneficial interest in the company by 59,200 ordinary shares.

Independent Newspapers — Gerard McGuinness, a director, has acquired 163,010 ordinary shares, thereby increasing his holding to 620,822 shares (4.15 per cent).

Lake and Elliot — Europco Holdings NV of Willemstaad, Curacao, has acquired 500,000 ordinary shares.

Pentland Investment Trust—Throgmorton Trust, as a result of acceptances to its offers as at August 25 1983 had a total interest in 16,939,605 new ordinary shares (97.12 per cent).

"Shell" Transport and Trading—P. F. Holmes, director, has sold 25,600 ordinary shares.

Westwood order book 'inadequate'

The present order book at **Westwood Dawes** is "inadequate" say the directors. However, several tenders have been submitted recently and the company has good reason to believe that these will produce worthwhile orders for quarry plant for the constructural division. Nevertheless, they say results for the remainder of the year are "uncertain."

In the meantime, the group's operating profits fell from £45,047 to £29,217 in the six months to June 30 1983. There was an increase from £1.19m to £1.65m in turnover. No interim dividend is again being paid—the last payment was 1.5p in February 1980.

First-half tax was lower at £15,193 compared with £23,424. Stated earnings per 25p share were 1.11p (1.72p).

Westwood is a West Midlands structural and mechanical handling engineer.

Noble and Lund

Losses of £237,000 against pre-tax profits of £30,000 have been incurred by Noble and Lund, the Gateshead engineer and machine tool maker, for the half-year to June 30 1983. No interim dividend is being paid compared with 0.175p last time.

Turnover plunged from £803,000 to £219,000.

Tax was again £1,000. The loss per 10p share was 4.79p against earnings of 0.34p.

Alexanders still getting to grips with new dealership

FOR THE half year ended March 31 1983, Ford main dealer **Alexanders Holdings** has incurred an increased loss of £91,000, compared with £57,000 in the previous year. Turnover rose from £20.8m to £25.9m.

Mr J. B. Loudon, chairman, explains that the Edinburgh dealership is still incurring losses, but with a new management structure it is anticipated that the problems can be solved. All other companies within the group have returned to "acceptable profits."

Last year the company ran into great expense trying to establish the new dealership at Fountainbridge while carrying the costs of the old building in Semple Street. The idea was to develop the latter site as an office block, but planning permission was refused.

An appeal to the Secretary of State has been rejected, and the directors are reconsidering their plans for the properties in Edinburgh.

Mr Loudon says that August car sales have yet again achieved record levels and, with Ford's investment in new products, "we expect these sales to be maintained through the latter period of 1983." The company is "well on the road" to overcoming the difficult problems of relocating its major operations and faces the future with optimism.

For the half year there is an extraordinary debit of £7,000 (credit £20,000) and the loss per *share is shown at 0.33p (0.22p)*.

In the whole of 1982 the company earned a profit of £154,000 after taking into account a £435,000 credit for premium on lease.

Mellerware sees 50% advance

Mellerware International, the West Midlands-based manufacturer and distributor of aluminium cookware and domestic electrical appliances, *has announced a significant* improvement in pre-tax profits for the six months to June 1983, and say that profits for the full year should be 50 per cent higher than last year's £541,000.

For the six months turnover was £2.67m against £2m and profit before tax was £263,000 compared with £61,000. The board is recommending an interim dividend of 0.84p per share, and Mr J. P. Meller, Mr J. R. Meller and Mrs E. Meller are waiving their dividend entitlement which amounts to £40,090.

Mr John Meller, the chairman, points out that the substantial increases in turnover and profits were made in what is traditionally the group's quieter trading *period*.

The increase in turnover, he says, reflects the growing consumer awareness of the "Mellerware" brand name and also the success of the new products introduced during the first half. The distribution base has been enlarged and the company is continually exploring new market areas. This is reflected equally in exports which show an increase of 145 per cent during the period, he adds.

Currently, the order position is very satisfactory, he says, showing a continual increase in orders for products both within the home market and the export market. Deliveries for the major Moulinex order, referred *to in the USM prospectus* in May, have now commenced.

Significant improvements have been made to manufacturing capacity and the company looks forward to the second half of the year with confidence.

Current forecasts indicate that the full year turnover increase will produce an increase in profits of over 50 per cent in comparison to the whole of 1982, he says.

Tax took £113,000 (nil) to leave net profits of £150,000 (£61,000), equal to 2.7p (1.1p) per share.

Results due next week

One major feature underlying the improved interim results currently being reported by insurance groups has been the mild weather of the past winter compared with the very severe conditions at the beginning of 1982. This feature should again be prominent in next week's reports from **Phoenix Assurance** and **Sun Alliance Group** on Wednesday and **Prudential Corporation** on Thursday.

The other factors that have emerged from the interim results so far this year are that UK motor insurance is going through a sticky patch—hitting Phoenix and the Pru more than Sun Alliance—while there have also been generally poor results overseas, especially in the U.S. which will affect Phoenix. On the other hand the buoyancy of life business will benefit Pru as the UK's largest life group. Expectations are that pre-tax profits of Sun Alliance will more than triple to at least £30m and the dividend will be increased 15 per cent to 22.5p. Pre-tax profits from Phoenix could nearly double to £15m, but there may be only a 10 per cent dividend rise to 8p. Pru's net profits could be nearly 50 per cent up at £28m, with the dividend also lifted 10 per cent to 5.5p.

BICC's interim statement for the six months to June 30, due on Wednesday, could well reveal a drop in pre-tax profits, to around £31m, from the comparable figure last year of £48m. The major problems have arisen in the international division, hit by the downturn in the economies of South Africa, Canada, and especially Australia. In the UK the cables division has been having an equally rough time and should be feeling the effects of a protracted price war in the first few months of the year which cut margins. However, Balfour Beatty, BICC's international construction division, remains buoyant whilst Sealectro and Boschert in the industrial division could benefit from the revival in the U.S. economy and turn in better than expected results.

Delta Group and **IMI**, both in the engineering metals business and both showing considerable recovery potential, report interim figures next week. IMI, which reports on Tuesday, is gradually moving from its traditional metal forming business to high value added products. It recently sold its brass rod and wire business for £6.5m to McKecknie Brothers. Cornelius, the U.S. drings dispensing business it bought last year, will make a strong contribution, while redundancy charges will be well down as should Titanium stock losses. IMI is expected to make around £13m pre-tax, compared with £8.4m for the six months to June, and £29m for the year with perhaps some restoration of the dividend.

Delta is expected to restore its dividend though probably not until the year end. Next Thursday it is expected to show pre-tax profits of around £10m for the six months to June, compared with £7.5m last year. It has suffered from a cable price war in the UK which is beginning to abate, but its electrical switch gear has had a good first *half, and it is benefiting from* an upturn in the construction industry which it supplies.

The board of **Peninsular & Oriental Steam Navigation** will be taking a break from giving evidence to the Monopolies Commission on Wednesday, in order to reveal to the City figures for the first half of 1983. Taking out the unpredictable element of ship sales, analysts are looking for about £12m pre-tax, as against the comparable figure of £8.9m. Most of the improvement seems due to Bovis enjoying a very strong performance in the traditionally weaker first half. Further improvements are also expected from oil related activities, and the ferries business. Prior to the Trafalgar House broadside, the market was expecting full year profits pre-tax to be around £38m, up from 1982's £33.5m. But now it is thought that P & O will pull out all the stops, and a figure of about £42m is now widely canvassed. As for the dividend, an increase of some sort is expected, but that may have to wait until the year end.

Competition is always severe in the big brand household and pharmaceuticals market, but **Reckitt and Colman**—with a brand list that includes Dettol, Harpic, Disprin and Lem-Sip—has shown that profit increases can be found in spite of heavy marketing expenses. In North America no significant profits increase is expected because of the heavy launch costs of new products. But Reckitt hopes to reap the benefits from next year. Elsewhere, Australia has already published results well up on last year and South Africa and Brazil are going well, though there may be a small loss on currency translation. At home, rationalisation costs at Norwich may limit profits in groceries, but pharmaceuticals and contract cleaning should help to boost half-time pre-tax profits; due on Thursday, these should be around £39m up from *£34.1m. Estimates for the full year vary from £80m to £92m*, against some £75m.

Other results due next week include full-year figures from **News International** on Monday. On Tuesday three companies, **Datastream**, **Stewart Wrightson** and **Exco** will be announcing interim profits. **Hepworth Ceramic** will be reporting its half-time results on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Bracken Mines	Wednesday	†14.0	27.0	27.0
Centors	Tuesday	—	0.1	—
Datastream	Tuesday	—	—	—
Estates Property Investment	Thursday	3.92857	6.78571	3.92857
Harvey and Thompson	Tuesday	—	—	—
Framlington Group	Wednesday	—	—	—
Harmony Gold Mining	Thursday	†90.0	85.0	150.0
Haynes Publishing	Friday	3.0	6.25	3.5
Heath, Samuel and Sons	Monday	—	19 0	—
Intereurope Technology Services	Monday	—	—	1 4
Kinross Mines	Wednesday	†62.0	65.0	78.0
Leslie Gold Mines	Wednesday	†12.0	23.0	29.0
News International	Monday	3.2132	3.0699	3.4987
Old Court International Reserves	Tuesday	—	—	—
Palmerston Investment Trust	Monday	1.0	1.0	1.0
Ricardo Consulting Engineers	Tuesday	3.5	5.85	3.5
Second Alliance Trust	Friday	2.25	7.35	2.75
Sime Darby	Monday	1.0	†10.0	—
Stewart Plastics	Thursday	0.83856	1.13683	0.5594
Thorpac Group	Thursday	0.91	0.91	—
Unisel Gold Mines	Wednesday	†45.0	45.0	—
Winkelhaak Mines	Wednesday	†158.0	155.0	188.0
Zetters Group	Wednesday	0.85	1.9	0.85
INTERIM DIVIDENDS				
Appleyard Group	Thursday	—	—	
Beattie, James	Monday	—	—	
Bestobell	Thursday	5.7	7.8	
BICC	*Wednesday*	*3.5*	*7.04*	
Bridon	Wednesday	1.2	1.8	
Britannia Arrow Holdings	Thursday	0.8	0.9	
British Vending Industries	Wednesday	0.35	0.35	
Bunzl	Thursday	4.5	4.5	
Cement-Roadstone Holdings	Wednesday	2.3	3.58	
Charterhouse Petroleum	Friday	0.25	0.5	
Collins, William	Thursday	3 0	5.5	
Cookson Group	Thursday	3.7	5 96	
Croda International	Tuesday	3.0	4.0	
Delta Group	Thursday	1.82	1.58	
Desoutter Bros. (Holdings)	Thursday	2.7	3.0	
EIS Group	Monday	1.5	3.5	
Ellerman Lines	Friday	—	—	
European Ferries	Friday	1.0	2.35	
Exco International	Tuesday	2.5	3.1	
Friedland Doggart Group	Thursday	2.09	3.51	
Gibbs and Dandy	Thursday	—	1.4	
Harrisons Malaysian Plantations Berhad	Wednesday	†8.0	8.0	
HB Electronic Components	Friday	—	—	
Hepworth Ceramic Holdings	Thursday	2.25	3.35	
IMI	Tuesday	1.5	2.0	
Jebsens Drilling	Wednesday	7.0	10.5	
Kode International	Tuesday	2.32	5.68	
Macfarlane Group (Clansman)	Monday	1.52	2.0	
Moben Group	Tuesday	—	0.25	
Nationwide Leisure	Monday	—	—	
Newbold and Burton Holdings	Tuesday	1.4	2.38	
Nichols, J. N. (Vimto)	Tuesday	5.5	6.0	
Nurdin and Peacock	Tuesday	1.3	1.82	
Peninsular and Oriental Steam Navgtn.	Wednesday	4.0	6.0	
Pentland Industries	Monday	0.375	1.455	
Pentos	Tuesday	—	—	
Phoenix Assurance	Wednesday	7.3	10.2	
Provident Financial Group	Tuesday	2.42	5.58	
Prudential Corporation	Thursday	5.0	—	
Reckitt and Colman	Tuesday	4.15	6.6	
Robinson Bros. (Ryders Green)	Tuesday	—	—	
Royal Worcester	Tuesday	2.9	5.7	
Sedgwick Group	Thursday	2.5	4.5	
Shama Ware	*Friday*	*0.9*	*1.3301*	
Sharpe and Fisher	Tuesday	0.55	1.45	
Stewart Wrightson	Tuesday	3.85	10.45	
Sun Alliance and London Assurance	Wednesday	19.5	28.5	
Tavener Rutledge	Thursday	—	—	
Wadkin	Tuesday	—	0.5	
Wilson (Connolly) Holdings	Tuesday	0.7	1.175	
Woodward (H.) and Son	Thursday	0.5	1.7	

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † In cents.

Better trading climate at Marling

During the last few months there has been a marked change in the trading climate at Marling Industries, industrial webbings, and its order books have reflected the revival in demand by its industrial customers, says Mr Louis Courts, chairman, in his annual statement.

He says the factories are benefiting from this increased demand, and the group is again planning substantial capital investments in the UK and Holland, both to expand capacity as well as to up-date its equipment to take advantage of the latest technology.

Mr Courts says the group's total borrowings are well under control at 64 per cent of shareholders' funds, allowing plenty of leeway for strategic expansion.

He says the original acquisition loans in Holland have now been repaid and, from now on, this will contribute to a further strengthening of its cash position.

Apart from the effects of currency fluctuations, there was another material influence on the profits, he adds. Much of its bank borrowings were in foreign currencies, repayable from export receipts, and according to current UK accounting conventions, these were revalued at the market rate on March 31 1983. This meant a write-off in excess of £200,000, most of which, however, will be recoverable.

The year-end balance sheet shows shareholders' funds £6.52m (£6.24m). Fixed assets were higher at £4.21m (£3.78m) and net current assets improved from £3.54m to £4.37m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Church & Co. ....int.	3	Oct. 20	2.5	—	9.5
James Dickie ....int.	1.5	—	1.5	—	3
R. & H. Hall ....int.	1	Sept. 17	0.75	—	3.36
Mellerware Intl. ......*int.*	*0.84‡*	Oct. 7	—	—	—
Sheldon Jones	3‡	Oct. 29	2.65	4.35	3.9
United Newspapers int.	5	Nov. 3	4.5	—	12
Whitworth Electric ...	1.51	—	1.51	1.51	1.51

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Laundry and dry-cleaning concern **Sunlight Service** launched a share exchange offer worth about £17.3m for **Spring Grove**, the towels and overalls rental company. The terms—three Sunlight shares for every ten Spring Grove—top by more than £2m an agreed bid for Spring Grove from Pritchard Services. Sunlight's offer comes three months after competing bids for Johnson Group Cleaners from Sunlight and Initial, an associate of BET, were blocked by the Monopolies Commission. Sunlight admitted that another referral was a strong possibility, but maintained that there were strong commercial reasons for the move. Yesterday **Brengreen Holdings**, the industrial and commercial cleaning concern, launched a share-exchange offer for Sunlight Service, valuing the latter at £33m.

Mr Alan Lewis, the Manchester businessman, renewed his bid for troubled woollen textile group **Illingworth Morris**. The renewed bid is on the same terms as the original offer announced last October and is on the basis of 14¾p cash for each ordinary share and 10¼p for each non-voting A share. Mr Lewis, who already owns a 48 per cent stake in Illingworth, was given the go-ahead last month by the Monopolies Commission to renew the bidding. Illingworth's directors have advised shareholders to whom income is important to accept the offer and those who want to share in the long-term growth of the company to reject it.

Baraoora Tea, which has tea estates in Bangladesh, announced that discussions are being held which might lead to an offer for the company. Baraoora's main shareholders are James Finlay with 29.3 per cent, Anglo Indonesian with 21.1 per cent and British Borneo Petroleum Syndicate, with 14 per cent. On the announcement, Baraoora's share price rose 27 to 140p at which the company is valued at £2.02m.

Portsmouth and Sunderland Newspapers agreed to buy the loss-making Croydon Advertiser group in a deal worth £2.3m. The CA group comprises nine weekly newspapers, three free newspapers and Darts World, a monthly publication. Portsmouth and Sunderland intend to keep all the present publications going, but the deal will mean the closure of CA's in-house printing operations and the sale of its headquarters, Advertiser House.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
AE	65½	61	36	64.34	GKN
Benn Bros¶	266	208	185	17.84	Extel
Branon	60*	60	58	1.84	Taddale
Drake and Scull	123§§	116½	85	22.52	Simon Engineerg
Globe & Phoenix	70*	70	60	0.62	African Lakes
Hawkins & Tmpsn	35*§	37	38	2.13	Evered
Huntleigh	*220*	*219*	*203*	*31.60*	*Flight Refuelling*
Illngwth Mrrs Ord	14¾*§	18	18	1.33	Mr A. Lewis
Illngwth Morris A	10¼*§	11	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	300††	80	1.02	Wasskon
Ins Cpn of Ireland	284§	267	224	I£5.94	Allied Irish
KCA Drilling	37*§	37	38	29.6	Rosshold
Pennine Res	30½*	34	26	3.96	Ivorbeam
Rediffusion	408§	420	353	126.84	BET
Spring Grove	50*	48	48	16.58	Pritchard Services
Spring Grove	64½	48	48	21.39	Sunlight Serv
Sunlight Serv	252	215	192	30.53	Brengreen Hldgs
UBM Group	106½§§	115	99	62.44	Norcros
Waddington (J.)	294	256	204	18.34	BPCC
Whittingh'm (W.)	130*	124	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on September 2 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Arrow Chemicals	July	186	(133)	0.5	(—)
Babcock Intntl	June	14,040	(8,270)	3.4	(3.4)
BP	June	1,153	(1,007)	7.0	(6.25)
British Vending	June	155	(152)	0.35	(0.35)
Cdbry Schweppes	June	33,500	(30,700)	1.5	(1.4)
Cambdge Elect	June	3,950	(3,107)	1.8	(1.5)
Cattles	June	922	(607)	0.7	(0.48)
Charterhouse Grp	June	11,610	(9,800)	2.03	(1.83)
Dewhurst, I. J.	July	1,630	(1,373)	0.32	(0.28)
Dufay Bitumastic	June	7,860	(7,160)	1.0	(0.83)
Exeter Building	June	327	(391)	2.5	(2.5)
Francis Parker	June	505	(245)	0.53	(0.35)
Good Relations	June	402	(203)	1.5	(0.93)
GRE	June	50,000	(35,700)	7.75	(7.0)
House Property	June	52	(86)	3.0	(1.5)
Jacks, William	June	300	(121)	0.35	(—)
Johnson Matthey	June‡	6,200	(7,200)	—	(—)
Ladbroke	June	16,100	(13,400)	4.07	(3.7)
Martin-Black	June	25L	(131)L	—	(—)
Metal Closures	June	3,030	(3,015)	2.2	(2.2)
Micro Business	June	814	(353)	1.0	(—)
Miss World Group	June	93	(—)	1.0	(—)
Morgan Crucible	July	4,260	(4,440)	3.5	(3.5)
Nuswift	June	800	(385)	0.93	(0.93)
Owners Abroad	June	494	(257)	—	(—)
Robinson, Thomas	June	470L	(498)L	—	(—)
Ropner	June	1,420	(3,540)	1.75	(1.75)
Sparrow, G. W.	June	581	(302)	0.5	(0.25)
Stanley, A. G.	July	493	(171)L	1.0	(1.0)
Talbex	July	248L	(184)L	—	(—)
Weir Group	June	2,160	(3,550)	0.38	(0.75)

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Assocd Dairies	April	77,390	(60,780)	9.2	(7.0)	3.0	(2.33)
Cont Microwave	June	407	(331)	36.5	(35.4)	7.0	(—)
Highgate and Job	March	165	(261)	—	(—)	—	(—)
Makin J. and J.	March	945	(641)	30.3	(18.7)	3.0	(3.0)
Raybeck	April†	1,430L	(215)	—	(—)	0.25	(2.25)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net except where otherwise stated.
† Figures for 53 weeks. ‡ First three months. L Loss.

Rights Issues

Munton Brothers—Rights issue to raise £1.55m. They are to issue 4.71m new ordinary 10p shares on basis of two new shares for every five ordinary held at 33p per share.

Tate and Lyle to raise £42m on the basis of one new share at 310p for every four old shares.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	20	31.50	—	—	—	—	$418.10
GOLD C	$425	21	16 A	48	29	1	42	"
GOLD C	$450	57	7.90	26	16	24	25	"
GOLD C	$475	65	4	—	—	—	—	"
GOLD C	$500	26	2.30	—	—	—	—	"
GOLD C	$550	50	1.10	—	—	—	—	"
[illegible]								
		Sept.		Dec.		March		
D/FL C	F.275	10	26.40	—	—	—	—	F.301.20
D/FL C	F.295	1	6.50	10	7.50	—	—	"
D/FL C	F.300	19	2.90	—	—	—	—	"
D/FL C	F.305	—	—	10	2.50	5	4	"
D/FL C	F.310	—	—	10	1.70	—	—	"
D/FL P	F.280	—	—	—	—	2	2.70	"
D/FL P	F.285	—	—	10	1.90 B	—	—	"
D/FL P	F.290	—	—	4	3.50	7	6.80	"
D/FL P	F.295	1	1	6	6	2	9.50	"
D/FL P	F.300	12	2.60	202	7.60	6	11	"

TOTAL VOLUME IN CONTRACTS: 7,330
A=Asked B=Bid C=Call P=Put

MONTHLY AVERAGES OF STOCK INDICES

	Aug.	July	June	May
Financial Times				
Government Securities	79.37	80.21	82.55	81.27
Fixed Interest	82.24	83.14	84.50	83.30
Industrial Ordinary	724.4	697.9	716.6	690.2
Gold Mines	654.5	652.1	634.8	655.6
Total Bargains	19,824	20,102	23,223	19,274
F.T.—Actuaries				
Industrial Group	447.37	437.55	446.38	427.48
500 Share	495.67	480.97	489.44	463.71
Financial Group	332.49	328.37	327.66	316.01
All-Share (750)	456.83	445.46	448.23	426.87

	Aug. High	Aug. Low
Industrial Ordinary	740.4 (22nd)	707.1 (1st)
All-Share	465.74 (18th)	440.14 (2nd)

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel	§ 9½%
Amro Bank	9½%	C. Hoare & Co.	† 9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland	Ω 9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered	‖ 9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteaway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings	¶10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank	* 9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank	‡ 9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account= 9.15%. Effective annual rate= 9.54%.

CONTRACTS

Sykes wins £5m Burmese order

Under a £5m contract signed in Rangoon 72 British "Hydromaster" marine propulsion units plus spares and ancillary equipment are to be supplied to Burma to revitalise the inland waterways network. **SYKES MARINE**, sole British manufacturer of Hydromaster heavy duty outboard 360 degrees steerable propulsion units, won the contract after five years' negotiations. Ordered by the Inland Water Transport Corpn of the Socialist Republic of the Union of Burma, the units will power commercial vessels for inter-island, coastal, port and harbour, and river operations.

★

FAIRCLOUGH SCOTLAND is starting work on a tenement housing refurbishment contract worth £991,000 at Edmiston Drive for Glasgow District Council. Similar contracts worth £250,000 are being carried out for both Glasgow District Council and private owners. The company is also constructing a kegging line at Tennant Caledonian's Wellpark Brewery. The contract, worth £151,645, is due for completion in spring 1984 and is being carried out simultaneously with a general maintenance programme estimated to be worth £60,000 over the next six months.

★

Contracts awarded to **ROBERT MARRIOTT** at Wellingborough, Peterborough, Milton Keynes and Cranfield total over £3.88m. Largest is the Peterborough Bretton Office development, phase 1 and 2. Phase 1 of this development was awarded to Marriotts, and work commenced during March, valued £862,009. The new scheme, comprising the original phase plus an additional office and link block was resumed during July after negotiations with Peterborough Development Corporation at a revised value of £2.4m. The contract consists of two two-storey office blocks connected by a link block. Completion dates are: phase 1, May 1984; link block, July 1984; phase 2, August 1984.

★

MALLINSON-DENNY, a member of the Brooke Bond Group, has won contracts worth over £500,000 for timber frame housing from building firms including Williams Contractors and Wimpey Construction UK. The largest is a £300,000 order to supply timber frame houses to Crest Homes.

★

An unusual contract worth over U.S.$1m (£660,000) has been won by **MEDIKENT INTERNATIONAL** for setting up a new 450 bed hospital for women and children in Medina, Saudi Arabia. Work involves conversion of a hotel into a hospital, providing the highest standards in a period of only five months.

Medikent will be responsible for designing the laboratories, supplying all the appartus and equipment with all the attendant fittings required for the laboratory, nursery and pharmacy.

The project is a direct result of an initiative taken by King Fahed of Saudi Arabia, who is keen to provide the best possible medical facilities for his subjects. King Fahed is expected to open the hospital on October 9.

Another interesting aspect of the development is that Medina, burial place of the prophet Mohammed, *is a holy city for* all Moslems. As the installation and commissioning of the new hospital requires the presence of a team of specialists from the UK, special dispensation has been needed to enable non-Moslems to enter the city.

★

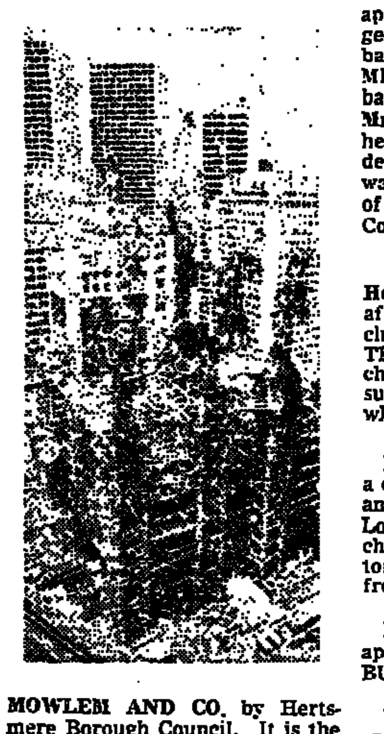
DELTA PLANT (part of the Trafalgar House Group) has secured an order worth £4m for tower cranes for the construction of the Hongkong and Shanghai Banking Corpn headquarters. This is believed to be the largest single tower crane order ever placed. The cranes have ben ordered by the B. S. C. Dorman Long joint venture who were awarded the structural steel contract by the management contractors John Lok Wimpey. The 41-storey steel-frame building is due to be completed next year. The crane contract is for 66 weeks. The six Peiner 50 tonne luffing jib tower cranes are designed with specially constructed short 7.5 metre counter-jibs to cope with this city centre site. The cranes are also believed to be capable of withstanding typhoon wind conditions of up to 120 mph.

★

GULLICK DOBSON INTERNATIONAL has secured a £3m order for a longwall mining installation in India. The British-designed roof supports have been ordered by the Singareni Collieries Co. and is the second order placed by the Indian company for Gullick Dobson equipment. The order was won by *Gullick Dobson in association* with its Indian manufacturing partner, Jessop and Company of Calcutta and part of the 4/325 tonne chock shield supports will be manufactured under a collaboration agreement with Jessop. The 90 roof supports will incorporate the latest design technology and will operate on a longwall face having a height of up to 3.2 metres. The chock shield support installation is due for delivery to the Indian mine early in 1984. Gullick Dobson International is part of the Dobson Park Industries Group.

★

A contract worth more than £5m for housing at Borehamwood has been awarded to **JOHN**



MOWLEM AND CO. by Hertsmere Borough Council. It is the biggest housing contract awarded by the council. Mowlem is to design and build 224 houses and 12 flats, of traditional construction, with all the associated garages, car spaces, roads, paths and fencing. Work, which starts at the beginning of October, is at six sites: Stevenage Crescent, Aycliffe Road, Organ Hall Farm, Farriers Way, Reston Close/Thirsk Road and The Campions. Completion is due in January 1985.

★

ISSAC JONES CONSTRUCTION, Llanelli, a company formed in May when Ernest Ireland Construction acquired the assets and the name of the old Issac Jones (Llanelly) company, has won its first contract. This is to build three nursery factory units and offices at Brynammon under a £120,000 contract awarded by Dyfed County Council. The units will be of steel framed construction with profiled cladding, and the offices will be single storey. The development has a total gross floor area of 4,000 sq ft. Work is due to start next month for completion in March. Ernest Ireland is a wholly-owned subsidiary of John Mowlem and Co.

★

MATTHEW HALL NORCAIN ENGINEERING has a contract, worth about £450,000, to engineer a performance chemicals plant for Esso Chemical. This plant, to be built at Fawley, Hampshire, has a capital value of about £5m. The plant will produce a range of products with applications in oil exploration, drilling, refinery operations, oil spill and water treatment, mining and industrial chemicals production. Capacity will be about 15,000 tonnes per annum, depending on the product mix. The project will involve modification and extension of existing facilities to process and blending areas. It will provide a drum filling line and road car loading facilities, with drum storage areas and additional low flash tankage. The plant will be computer controlled and is scheduled to come on stream early in 1984.

★

WILCON CONSTRUCTION has won an £865,000 package deal to build 50 shared ownership houses in Rugby for Target Housing of Leamington Spa, to be finished September 1984.

APPOINTMENTS

Promotions at NatWest

Mr David G. Russell has been appointed regional general manager, corporate and correspondent banking for NATIONAL WESTMINSTER BANK'S international banking division. He succeeds **Mr Michael Lydon**, who becomes head of group planning, business development division. Mr Russell was director and chief executive of Access (Joint Credit Card Company).

★

Dr Robert Brumwell (Brum) Henderson, who retired in June after nearly 25 years' service as chief executive of ULSTER TELEVISION has been elected chairman of the company. He succeeds **Mr James L. MacQuitty**, who has retired.

★

Mr John Church, until recently a director of Celestion Industries and chairman of Bonsoir of London, has been appointed chief executive/managing director of JOHN COMFORT & CO from September 5.

★

Mr Raymond Lockyer has been appointed a director of HARLOW BUTLER SAVAGE.

★

Mr John Holroyd has been appointed secretary of the East Midlands Region of BRITISH GAS, succeeding **Mr Norman Hilditch**, who retires on October 31. Mr Holroyd has been senior assistant secretary of the North Eastern Region since 1980, and is at present on secondment to British Gas headquarters as acting assistant secretary.

★

SCOTTISH AGRICULTURAL INDUSTRIES has appointed **Dr R. N. Eckersall** as business development director.

★

Sir William Duncan has been appointed a member of the HORSERACE BETTING LEVY BOARD. He will succeed **Mr John Marriage** who joined the Board in 1976. Sir William is chairman and chief executive of Rolls-Royce. The appointment is for three years.

★

Mr J. A. Fooks and **Mr T. I. L. Burns** have been appointed joint managing directors of GARNAR BOOTH.

★

Mr Tom Speir has been appointed managing director of GODDARD KAY ROGERS (NORTHERN). **Mr Brian Gordon** becomes a director.

★

CHARLES OPENSHAW AND SONS (MANCHESTER), part of the Wolstenholme Rink Group, has appointed **Mr Nicolas C. Kennedy** as UK sales director. He was financial and commercial director; and **Mr Richard Payne** as financial controller in addition to company secretary.

★

Mr B. Henley has been appointed deputy group managing director of DUFAY BITUMASTIC.

★

UNITED TRUST AND CREDIT has appointed **Mr Graham D. Stebbens** as a director. He has subscribed for 10,000 founder shares of £1 each and 10,000 warrants and will be responsible for the development of commercial banking. Mr Stebbens was formerly managing director of Armco Trust.

★

Mr Anthony Good, chairman of Good Relations Group and of Cox and Kings, has been appointed to the board of NORFOLK CAPITAL GROUP.

★

Following the offer to shareholders made on behalf of **Mr Victor Burley** and **Mr Anthony Parmiter** in May, all the non-executive directors of RTD GROUP have now resigned. Mr Burley and Mr Parmiter were appointed directors and joint chief executives in May and Mr Burley has now become deputy chairman, and **Mr Francis Madden**, deputy managing director of East Anglian Securities Trust, financial advisers to RTD, has been appointed a non-executive director.

★

Sir William Barlow has been appointed for a second three-year term as chairman of THE DESIGN COUNCIL. He is chairman of Thorn EMI engineering group.

★

Mr Brian Dick has been appointed finance director of NOBLE GROSSART, Edinburgh. He was finance director of Lyle Shipping.

★

Mr Alan Cooper has been appointed a director of R. MANSELL (CITY), with responsibility for specialised works. **Mr Brian Crawford** has been appointed technical director with a special interest in docklands development and building maintenance.

★

LONDON TRANSPORT has appointed **Mr Ron Farrow-Smith**, as staff relations officer (railways). He was divisional operations manager for the Central and Bakerloo Lines.

★

Mr K. E. Percy, formerly partner in charge of research at PHILLIPS AND DREW, has *joined the firm's fund management department*. **Mr K. W. B. Inglis**, formerly investment manager of the Scottish Provident Institution has been appointed head of equity research and **Mr A. J. Dye**, formerly investment manager of the Colonial Mutual Life Insurance Society, has joined the firm's fund management department.

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
[illegible]								

Licensed Dealer in Securities

LADBROKE INDEX
702-709 (−5)
based on FT Index
Tel: 01-493 5261

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
[illegible]							

Sept. 2 Total Contracts 1,219 Calls 640 Puts 579
* Underlying security price.

U.K. CONVERTIBLE STOCK 3/9/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♧	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div▽	Cheap (+) Dear (−) Current
British Land 12pc Cv 2002	9.60	289.50	333.3	80-91	4.2	1.2	4.6	−4 to 8	43.5	63.8	7.3	+ 2.7
Hanson Trust 9½pc Cv 01-06	81.54	228.50	107.1	85-01	4.3	1.7	−2.6	−6 to 1	104.2	75.8	−12.1	− 9.5
Slough Estates 10pc Cv 87-90	5.03	217.50	234.4	78-84	4.6		−8.1	−9 to −1	11.5	4.8	− 2.8	+ 5.3
Slough Estates 8pc Cv 91-94	24.72	106.00	97.5	80-88	7.6	7.2	7.6	4 to 14	23.1	28.0	5.0	− 2.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♧ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Moderately higher on Wall St

MODERATELY HIGHER levels developed on Wall Street yesterday, as investors pushed up Defence issues in the aftermath of Thursday's downing of a South Korean commercial jetliner.

The Dow Jones Industrial Average, which fell over 9 points Thursday, regained 7.21 to 1,214.02 by 1 pm, increasing its rise on the week to 21.95. The NYSE All Common Index, at $95.27, rose 44 cents on the day and $1.47 on the week. But the trading volume fell 16.28m shares to 43.9m, compared with 1 pm Thursday.

One analyst said stocks performed well Thursday considering the potential problems connected with the downing of a South Korean airliner.

He said this calm reaction indicates that the Stock Market, after months of weakness, "is a tough market again."

Trading activity could slow further this afternoon in advance of the release of the U.S. Money Supply and because of the upcoming Labor Day holiday.

Economists expected a modest rise in the Money Supply to be announced by the Federal Reserve after the market's close.

In the Defence area, Sanders Associates, a maker of Defence Electronics systems, rose $4½ to $107. Lockheed gained $2¾ to $111, E-Systems $2¾ to $38¾, General Dynamics $2¼ to $51, Raytheon $2¼ to $50 and Rockwell $1½ to $28¾.

KN Energy, which last week filed suit over an alleged takeover attempt, moved up $2¾ to $42¼.

Cigna led the active list, and firmed $¾ to $42⅛xd.

Paradyne advanced $2¾ to $18⅞. Metromedia improved $2¼ to $37—it predicted higher earnings earlier this week.

Harris Bankcorp were $2¾ higher at $58¾—it hired a law firm for its acquisition negotiations.

Merck recovered $¾ to $92¾.

THE AMERICAN SE Market Value Index was up 1.47 to 231.73, making a rise of 4.57 on the week. Volume totalled 4.77m shares against 4.88m at 1 pm Thursday.

Closing prices for North America were not available for this edition

Canada

Stocks were slightly higher at midsession, paced by strong gains in Oil issues.

The Toronto Composite Index was up 3.3 at 2,505.0. Oil and Gas 38.1 at 3,839.8 and Golds 7.0 at 4,945.9. But Metals and Minerals shed 3.9 to 2,597.3 and Banks eased 2.34 to 473.07.

Tokyo

Sharply lower as Blue Chips and "Populars" lost ground.

The Market Average fell 45.24 to 9,183.11. But trading volume was fairly light at 340m (500m) shares.

The fall followed the weakening of the yen against the dollar following the alleged shooting down by Soviet fighters of a South Korean airliner near the Soviet Island of Sakhalin.

Internationally popular issues fell more heavily than other shares, but Defence-related issues gained ground.

Oils, non-Ferrous Metals and some other Resource-based shares also firmed in reaction to international tension over the airliner incident.

Paris

Lower in moderately active trading on end-of-week liquidation.

A rise in the *daily call Money* rate to 12¾ per cent from 12¾ per cent. Wall Street's mixed close and the alleged shooting down of a South Korean airliner by a Soviet plane also dampened sentiment.

Financials, Foods, Constructions, Oils and Electronics all fell, Motors were slightly easier, while Banks, Metals and Chemicals were mixed.

Oils again registered the steepest losses, with Esso down FFr 26.6 to 326.4, Elf Aquitaine FFr 7 at 183.5 and Petroles BP FFr 6.5 at 73.5.

In Foreigns, Americans and Mines rose, *Japanese*, Copper and Oils fell, while Dutch were mixed.

Germany

Mixed in thin pre-weekend trading. Dealers said markets were nervous over the Korean airliner crisis and the mixed Wall Street close on Thursday.

The Commerzbank Index shed 3.2 to 923.6.

In Engineerings, MAN lost DM 1 to 126—it expects to have to cut 1,000 jobs at its Augsburg plant. GHH, which holds the majority of MAN, shed DM 1.40 to 138.20.

Switzerland

Domestic shares closed little changed on small volume, with no new factors affecting markets.

Markets reacted little to overnight concern in U.S. over the South Korean airliner incident. News City of Zurich Consumer *Prices fell* to the lowest rate since January 1979 may have supported markets.

Swiss bonds steady in very thin trading, with Foreign Bonds slightly better despite the stronger dollar.

In foreign shares, Dollar stocks were mixed around overnight New York levels. Dutch Internationals eased, as did German shares.

Australia

Share prices surged to a 1983 high in active trading, with the All Ordinaries Index up 8.0 to 714.6—the previous high was 708.4, set the day after the Federal Budget was announced in August.

Brokers said heavy buying in Broken Hill Proprietary (BHP), up 40 cents at A$12.15, was a major force behind the sharp rise. BHP is still benefiting from its report that its Jabiru oil well offshore the Northern Territory showed indications of oil.

There were sharp gains throughout the Oil and Gas sector, as speculators moved in on other companies that could possibly gain from a major oil find in the largely unexplored region off the Kimberly coast area of Northern Australia.

The other two companies with direct interest in the Jabiru well, Weeks Australia and Ampol Exploration, also rose sharply in active trading. Ampol moved up 35 cents to A$1.90 and Weeks 20 cents to 75 cents.

The top Golds and Base Metals were mixed, however, while Industrials were generally firm.

Among Retailers, G. J. Coles were 15 cents higher at A$3.50 on its better results.

Hong Kong

Lower but off the day's worst, the Hang Seng Index was off 4.70 at 950.54.

Brokers attributed the fall to a lack of buying interest and the weakening Hong Kong dollar. They also cited vague speculation over a local interest rise at the weekly meeting today of the Interest Rate Setting Committee of the Association of Banks here.

Cheung Kong eased 10 cents to $HK7.70 on its 70 per cent fall in net profit in first half 1983.

Hutchison Whampoa, a subsidiary of Cheung Kong, gained 10 cents to $HK12.70, following its sharply increased interim dividend.

Singapore

The majority of shares ended lower, although Blue Chips were generally steady. The Straits Times Index fell 7.82 to 978.46.

Sime Darby, off 2 cents at $2.30, said it will announce its latest annual results, and those for the group, on Monday morning.

Indices

NEW YORK

DOW JONES

	Sept. 1	Aug 31	Aug 30	Aug 29	Aug 26	Aug. 25	1983 High	1983 Low	Since C'mpil'tn High	Since C'mpil'tn Low
● Industr'ls	1208.81	1216.16	1196.04	1194.11	1192.07	1186.06	1248.30 (16/6)	1027.04 (3/1)	1248.30 (16/6/83)	41.22 (2/7/32)
H'me Bnds	70.85	70.83	70.75	70.96	70.96	71.24	77.84 (6/5)	69.85 (9/8)	—	—
Transport	553.32	548.59	538.21	532.86	532.50	524.42	590.63 (27/6)	434.24 (3/1)	590.63 (27/6/83)	12.32 (8/7/32)
Utilities	129.87	129.65	130.06	130.59	131.07	130.59	132.90 (26/7)	119.51 (3/1)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000-†	76,120	80,800	62,870	53,060	61,650	70,140	—	—	—	—

● Day's high 1221.24 (1219.82) low 1197.36 (1191.16)

	Aug. 29	Aug. 19	Aug. 12	Yearago (Approx
Indust'l div. yield %	4.66	4.65	4.68	6.43

STANDARD AND POORS

	Sept. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 26	Aug. 25	1983 High	1983 Low	Since Cmpil'n High	Since Cmpil'n Low
Indust'ls	165.42	165.56	183.40	183.06	182.90	181.27	193.22 (22/6)	164.95 (3/1)	193.22 (22/6/83)	3.62 (30/6/32)
Comp's'te	164.25	164.40	162.58	162.25	162.14	160.84	170.99 (22/6)	138.34 (3/1)	170.99 (22/6/83)	4.40 (1/6/32)

	Sept. 1	Aug. 24	Aug. 17	Year ago(Approx)
Indust'l div. yield %	3.98	4.06	3.95	5.45
Indust'l P/E ratio	14.32	14.02	14.39	8.20
Long Gov. Bond yield	11.86	11.40	11.43	11.92

N.Y.S.E. ALL COMMON

Sept 1	Aug. 31	Aug. 30	Aug. 29	1983 High	1983 Low
94.83	94.89	93.80	93.80	99.01 (22/6)	80.92 (24/1)

Rises and Falls

	Sept 1	Aug. 31	Aug. 30
Issues Traded	1,912	1,919	1,929
Rises	807	1,040	875
Falls	698	478	653
Unchanged	407	401	401
New Highs	—	50	36
New Lows	—	7	7

MONTREAL	Sept. 1	Aug 31	Aug. 30	Aug 29	1983 High	1983 Low
Industrial	444.34	441.51	456.32	454.22	448.10 (26/7)	331.18 (4/1)
Combined	416.32	414.75	409.16	407.39	420.99 (27/7)	328.32 (4/1)
TORONTO Composite	2502.5	2483.0	2450.4	2441.8	2517.7 (27/7)	1948.8 (4/1)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Beth. Steel	2,515,700	23¼	−⅛	Ford Motor	796,400	59	+2
Superior Oil	1,317,300	35	−3¼	Citicorp	729,200	35⅝	−½
Diamond Sham.	1,263,000	23⅝	−⅜	Philip Morris	711,500	62⅞	+½
Chrysler	1,241,700	28⅛	+⅜	General Motors	686,500	71⅝	+1⅜
Pepsico	1,191,700	34¼	—	Sears Roebuck	684,700	37⅝	−⅛

	Sept. 2	Sept. 1	Aug. 31	Aug. 30	1983 High	1983 Low
AUSTRALIA All Ord. (1-1-80)	714.6	706.6	703.2	696.2	714.6 (2/9)	487.8 (4/1)
Metals & Mins. (1/1/80)	604.7	601.7	598.6	584.9	613.6 (24/8)	411.8 (4/1)
AUSTRIA Credit Aktien (2/1/62)	55.21	55.76	55.19	55.15	59.8 (5/6)	48.48 (15/2)
BELGIUM Belgian SE (31/12/63)	132.49	132.39	132.43	132.89	134.46 (1/8)	100.50 (4/1)
DENMARK Copenhagen SE (3/1/83)	186.81	187.45	186.31	186.42	187.45 (1/9)	100.00 (3/1)
FRANCE CAC General (31/12/82)	155.1	154.5	154.7	155.9	157.7 (25/8)	96.1 (3/1)
Ind Tendance (31/12/82)	141.6	142.5	142.7	143.7	146.5 (24/8)	98.0 (3/1)
GERMANY FAZ-Aktien (31/12/58)	312.12	312.87	309.29	309.47	331.85 (7/7)	241.95 (25/1)
Commerzbank (Dec1953)	923.6	926.8	914.1	914.3	986.5 (7/7)	727.9 (26/1)
HONG KONG Hang Seng Bank (31/7/64)	950.54	955.24	965.94	971.08	1102.64 (21/7)	761.61 (4/1)
ITALY Banca Comm Ital. (1972)	202.27	202.96	202.53	201.91	214.85 (21/3)	160.45 (10/1)
JAPAN** Dow Average (16/5/49)	9183.11	9228.35	9189.43	9195.92	9228.35 (1/9)	7803.18 (25/1)
Tokyo New SE (4/1/68)	676.31	680.72	678.53	677.9	682.49 (22/8)	574.61 (25/1)
NETHERLANDS ANP-CBS General (1970)	138.4	138.8	138.4	138.1	145.4 (22/8)	100.1 (4/1)
ANP-CBS Indust (1970)	111.8	111.2	111.8	112.9	118.5 (22/8)	85.5 (4/1)
NORWAY Oslo SE (4/1/83)	207.1	207.79	205.19	203.73	214.46 (18/8)	99.01 (4/1)
SINGAPORE Straights Times (1966)	978.46	986.28	989.30	898.12	992.82 (25/8)	712.29 (5/1)
SOUTH AFRICA Gold (1958)	—	847.6	845.5	855.1	1099.6 (1/2)	694.3 (28/5)
Industrial (1958)	—	936.8	952.4	928.2	968.7 (28/6)	740.9 (5/1)
SPAIN Madrid SE (31/12/82)	115.97	115.07	115.5	114.53	120.62 (15/7)	88.32 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1527.15	1512.17	1498.92	1497.84	1527.15 (2/9)	898.16 (5/1)
SWITZERLAND SwissBankCpn. (31/12/58)	355.3	356.0	352.8	351.1	347.6 (4/8)	294.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	177.7	177.3	176.3	182.7 (22/6)	154.5 (5/1)

(**) Saturday Aug 20: Japan Dow 9137.13. TSE 679.15.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NOTE—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

هكذا صدر الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar steadies

The dollar recorded little change from Thursday's closing levels in the London foreign exchange market yesterday. The proximity of the weekend ensured a reduction in business volume, exacerbated by Monday's public holiday in the U.S. and Canada. Concern over the disappearance of a South Korean airliner and an increase in U.S.-Soviet tension had only a limited effect, with the dollar failing to hold on to early gains. Normally the talking point in markets yesterday would have been U.S. money supply figures but preliminary estimates showed that a rise of anything up to $3bn in M1 money supply would be within market expectations.

Despite the lack of any real conviction there was still a reluctance to run short on dollars over the long weekend. Consequently it closed at DM 2.6950 against the D-mark, unchanged from Thursday and SwFr 2.1880 from SwFr 2.1870 in terms of the Swiss franc. It rose marginally against the Japanese yen to Y246.75 from Y246.50 but slipped against the French franc to FFr 8.1025 from FFr 8.1100. On Bank of England figures the dollar's trade weighted index rose to 129.5 from 129.4.

Sterling traded quietly for most of the day in the absence of any fresh news. Its trade weighted index closed at 85.3 down from 85.5, having stood at 85.3 at noon and 85.5 in the morning. Against the dollar it traded within a very narrow band of $1.4920-1.4990 before closing at $1.4950-1.4960, a fall of just 35 points. Against the Deutsche Mark is eased to DM 4.0325 from DM 4.0425 and SwFr 3.2750 from SwFr 3.28. It was also lower against the French franc at FFr 12.1150 from FFr 12.1550 and Y369.25 compared with Y370.0.

THE POUND SPOT AND FORWARD

Sept 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4920-1.4990	1.4950-1.4960	0.02-0.07c dis	−0.36	0.17-0.22dis	−0.52
Canada	1.8400-1.8470	1.8430-1.8440	0.10c pm-par	0.32	0.15-0.05 pm	0.22
Nethlnd.	4.49½-4.52½	4.50-4.51	1⅝-1⅜c pm	3.86	4⅛-3⅞ pm	3.44
Belgium	80.90-81.40	81.05-81.15	7c pm-3 dis	0.29	7 pm-3 dis	0.10
Denmark	14.48-14.55	14.49½-14.50½	3⅞-5ore dis	−3.36	6-7¼ dis	−1.83
Ireland	1.2790-1.2860	1.2805-1.2815	0.21-0.23p dis	−2.06	0.60-0.66dis	−1.95
W. Ger.	4.02-4.05	4.02¾-4.03¾	1⅝-1⅜pf pm	4.09	4⅛-3⅞ pm	3.84
Portugal	*185.75-187.00*	*186.25-186.75*	*150-420c dis*	*−18.34*	*470-1170dis*	*−17.59*
Spain	227.75-229.00	228.10-228.30	245-325c dis	−14.98	960-1195dis	−18.89
Italy	2,400-2,415	2,402½-2,404½	14-16 lire dis	−7.49	46-49 dis	−7.90
Norway	11.18-11.24	11.20½-11.21½	2⅝-3⅝ore dis	−3.34	8⅞-9⅞ dis	−3.21
France	12.10-12.18	12.11-12.12	3-4c dis	−3.47	16-18 dis	−5.61
Sweden	11.83-11.87	11.84-11.85	2-2½ore dis	−2.28	5⅛-5⅞ dis	−1.86
Japan	368-370	368¾-369¾	0.85-0.75y pm	2.76	2.80-2.60 pm	2.92
Austria	28.15-28.45	28.33-28.38	10½-8⅞gro pm	4.10	26½-23½ pm	3.52
Switz.	3.26-3.28	3.27-3.28	1⅜-1⅛c pm	5.50	4⅜-3⅞ pm	5.04

Belgian rate is for convertible francs. Financial franc 81.35-81.45.
Six month forward dollar 0.45-0.50c dis, 12-month 0.80-0.90c dis.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8340	+2.06	+1.24	±1.5447
Danish Krone ...	8.14104	8.19529	+0.67	−0.15	±1.6425
German D-Mark	2.24184	2.27882	+1.65	+0.83	±1.0642
French Franc ...	6.87456	6.86900	−0.21	−1.03	±1.4052
Dutch Guilder ...	2.52595	2.54782	+0.87	+0.05	±1.4964
Irish Punt	0.72569	0.724582	−0.15	−0.97	±1.6699
Italian Lira	1403.49	1359.34	−3.15	−3.15	±4.1505

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

THE DOLLAR SPOT AND FORWARD

Sept 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4920-1.4990	1.4950-1.4960	0.02-0.07c dis	−0.36	0.17-0.22dis	−0.52
Ireland†	1.1630-1.1690	1.1670-1.1690	0.32-0.27c pm	3.03	0.84-0.74 pm	2.70
Canada	1.2320-1.2335	1.2325-1.2330	0.09-0.06c pm	0.73	0.25-0.22 pm	0.76
Nethlnd.	3.0160-3.0220	3.0110-3.0130	1.03-0.93c pm	3.89	3.04-2.94 pm	3.98
Belgium	54.20-54.35	54.22-54.24	5-4c pm	0.99	11-8 pm	0.70
Denmark	9.6900-9.7325	9.6825-9.6875	1.60-2.10ore dis	−2.29	0.50 pm-par	0.10
W. Ger.	2.6895-2.7020	2.6945-2.6955	1.01-0.96pf pm	4.39	3.00-2.95 pm	4.42
Portugal	124.30-124.90	124.50-124.80	100-275c dis	−18.04	300-760dis	−16.99
Spain	*152.40-152.90*	*152.50-152.60*	*160-195c dis*	*−13.95*	*600-700dis*	*−17.03*
Italy	1,605-1,613¼	1,607-1,608	9½-10 lire dis	−7.29	30-31 dis	−7.60
Norway	7.4825-7.5125	7.4850-7.4900	1.60-1.90ore dis	−2.80	4.90-5.20dis	−2.69
France	8.0950-8.1350	8.1000-8.1050	2.00-2.20c dis	−3.11	9.90-10.40dis	−5.01
Sweden	7.9100-7.9350	7.9125-7.9175	1.15-1.35ore dis	−1.89	2.30-2.50dis	−1.21
Japan	246.45-247.15	246.70-246.80	0.70-0.60y pm	3.16	2.20-2.10 pm	3.49
Austria	18.91-19.00	18.91-18.93	7.20-6.40gro pm	4.30	22.00-19.50pm	4.37
Switz.	2.1785-2.1950	2.1875-2.1885	1.09-1.04c pm	5.84	3.15-3.10 pm	5.71

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.375-54.475

EXCHANGE CROSS RATES

Sept. 2	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.496	4.033	369.3	12.116	3.275	4.505	2404.	1.844	81.10
U.S. Dollar	*0.669*	*1.*	*2.696*	*246.9*	*8.101*	*2.190*	*3.012*	*1607.*	*1.233*	*54.23*
Deutschmark	0.248	0.371	1.	91.57	3.004	0.812	1.117	596.0	0.457	20.11
Japanese Yen 1,000	2.708	4.050	10.92	1000.	32.81	8.869	12.20	6509.	4.993	219.6
French Franc 10	0.825	1.234	3.329	304.8	10.	2.703	3.719	1984.	1.522	66.94
Swiss Franc	0.305	0.457	1.231	112.7	3.699	1.	1.376	733.9	0.563	24.76
Dutch Guilder	0.222	0.332	0.895	81.96	2.689	0.727	1.	533.5	0.409	18.00
Italian Lira 1,000	0.416	0.622	1.678	153.6	5.041	1.363	1.874	1000.	0.767	33.74
Canadian Dollar	0.542	0.811	2.187	200.3	6.572	1.777	2.444	1304.	1.	43.99
Belgian Franc 100	1.233	1.844	4.972	455.3	14.94	4.033	5.555	2964.	2.273	100.

MONEY MARKETS

Revised shortage

UK clearing bank base lending rate 9½ per cent (since June 14)

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £150m although this was later revised to £200m and then to £250m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills together with the repayment of late assistance totalling £31m and a rise in the note circulation of £220m. On the other hand Exchequer transactions added £90m to the system.

Assistance in the morning totalled £205m and comprised purchases of £80m of eligible bank bills in band 2 (15-33 days) at 9½ per cent, £25m in band 3 (34-63 days) at 9 7/16 per cent and £100m in band 4 (64-91 days) at 9⅜ per cent. Further help in the afternoon comprised purchases of £35m of eligible bank bills, making a grand total of £240m, £3m in band 1 (up to 14 days) at 9 9/16 per cent, £30m in band 2 at 9½ per cent and £2m in band 4 at 9⅜ per cent.

In the interbank market weekend money opened at 9⅞-9¾ per cent and eased to 8¾-9 per cent before coming back to 9¾-10 per cent. Rates eased later in the day however to a low of 4-6 per cent before finishing around 7 per cent.

LONDON MONEY RATES

Sept. 2 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ✝	Eligible Bank Bills ✝	Fine Trade Bills ✝
Overnight....	—	4-10	9⅜-9½	—	—	9-10	5-9¼	—	—	—
2 days notice	—	—	9½-9⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9¾-10	—	—	—	—
7 days notice..	—	9½-9¾	9½	—	—	—	9⅝-9½	—	—	—
One month	9[illegible]-9[illegible]	9⅝-9[illegible]	9½	10⅛-9⅞	9¾	9½-10	9¾	9[illegible]	9[illegible]	10[illegible]
Two months....	9[illegible]-9[illegible]	9[illegible]-9[illegible]	9[illegible]	10⅛-9⅞	9¾	10[illegible]	9[illegible]-9½	9[illegible]-9[illegible]	9[illegible]	10[illegible]
Three months..	9[illegible]-9[illegible]	9[illegible]-9[illegible]	9[illegible]	10¼-10	9⅞	10¼	9½	9[illegible]	9[illegible]	10[illegible]
Six months.. ..	10-9⅞	10[illegible]-10[illegible]	10	10¼-10	10¼	—	—	—	9[illegible]-9[illegible]	10[illegible]
Nine months....	10[illegible]-10[illegible]	10[illegible]-10[illegible]	10[illegible]	10⅝-10⅜	10½	—	—	—	—	—
One year	10¼-10⅛	10[illegible]-10⅝	10[illegible]	10⅝-10⅜	10⅝	—	—	—	—	—
Two years	—	—	11¼	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period July 6 to August 2 1983 (inclusive) 9.[illegible] per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11½ per cent; four years 11⅝ per cent; five years 11¾ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rate for four-months bank bills 9⅞ per cent; four months trade bills 10[illegible] per cent.

Approximate selling rate for one month Treasury bills 9⅜-9[illegible] per cent; two months 9[illegible]-9[illegible] per cent and three months 9[illegible] per cent. Approximate selling rate for one month bank bills 9[illegible] per cent; two months 9[illegible] per cent and three months 9⅜ per cent; trade bills 9[illegible] per cent; two months 9[illegible] per cent and three months 9[illegible] per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 10 per cent from September 1, 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 9.3343 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¾ per cent; one-three months 10 per cent; three-six months 10¼ per cent; six-12 months 10¾ per cent. Under £100,000 9½ per cent from September 1. Deposits held under Series 4-5 10 per cent. The rates for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Sept. 2	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling ...	9½-9¾	9½-9¾	9⅝-9¾	9[illegible]-9[illegible]	10[illegible]-10[illegible]	10[illegible]-10[illegible]
U.S. Dollar...	9½-9¾	9½-9¾	9[illegible]-10[illegible]	10[illegible]-10[illegible]	10[illegible]-10[illegible]	10[illegible]-11[illegible]
Can. Dollar..	8¼-8¾	8½-9¼	8[illegible]-9[illegible]	9[illegible]-9[illegible]	9[illegible]-10[illegible]	10[illegible]-10[illegible]
D. Guilder. ..	5⅝-6⅛	5[illegible]-6[illegible]	6-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]
S. Franc.	3⅛-3⅜	[illegible]	4[illegible]-4[illegible]	4[illegible]-4[illegible]	4[illegible]-4[illegible]	4-4[illegible]
Deutschm'rk	5-5⅛	5[illegible]-5[illegible]	5[illegible]-5[illegible]	5[illegible]-5[illegible]	[illegible]	[illegible]
Fr'nch Franc	12-12¼	12⅝-12⅞	13-13½	15⅛-15½	16⅝-17	16[illegible]-17[illegible]
Italian Lira.	15-16½	15⅛-17⅜	16[illegible]-17[illegible]	17[illegible]-18[illegible]	18½-19	19[illegible]-20[illegible]
Belg. Franc..						
Conv....	8½-9	8½-9	8½-9¼	9½-10	10-10½	10[illegible]-10[illegible]
Fin.	8½-9	8¾-9	8[illegible]-9[illegible]	9¼-9½	9[illegible]-10	10-10[illegible]
Yen...	6¼-6⅝	6[illegible]-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]	6[illegible]-6[illegible]
D. Krone..	12¼-12⅝	12⅝-12¾	13-13⅝	11[illegible]-12	11[illegible]-11[illegible]	11[illegible]-11[illegible]
Asia $ (Sing..	9⅝-9¾	9[illegible]-9[illegible]	9[illegible]-10	10¼-10[illegible]	10[illegible]-10[illegible]	10[illegible]-11

OTHER CURRENCIES

Sept. 2	£	$		£ Note Rates
Argentina Peso...	16.92-16.97	11.31-11.34	Austria.........	28.25-28.55
Australia Dollar..	1.7075-1.7095	1.1410-1.1415	Belgium.........	81.25-82.05
Brazil Cruzeiro...	998.66-1,003.82	668.0-671.0	Denmark.........	14.50-14.64
Finland Markka...	8.5900-8.6170	5.7595-5.7625	France.........	12.11-12.33
Greek Drachma...	138.60-139.05	92.85-93.00	Germany.........	4.02¼-4.06¼
Hong Kong Dollar	11.343-11.358	7.5925-7.6025	Italy.........	2390-2425
Iran Rial.........	131.95*	88.25*	Japan.........	369-374
KuwaitDinar(KD)	0.4365-0.4375	0.2921-0.2922	Netherlands......	4.49¾-4.53¾
Luxembourg Fr...	81.05-81.15	54.22-54.24	Norway.........	11.20-11.30
Malaysia Dollar..	3.5150-3.5250	2.3530-2.3560	Portugal.........	182½-205
New Zealand Dlr.	2.3035-2.3085	1.5390-1.5415	Spain.........	220¼-235¼
Saudi Arab. Riyal	5.1990-5.2075	3.4790-3.4820	Sweden.........	11.83-11.93
Singapore Dollar	3.2030-3.2140	2.1440-2.1470	Switzerland......	3.26-3.29
Sth.African Rand	1.6905-1.6930	1.1305-1.1320	United States....	1.48½-1.50½
U.A.E. Dirham...	5.4875-5.4930	3.6720-3.6730	Yugoslavia......	191-200

* Selling rates.

FT LONDON INTERBANK FIXING

(11.00 a.m. SEPTEMBER 2)

3 month U.S. dollars		6 month U.S. dollars	
bid 10 1/4	offer 10 3/8	bid 10 5/8	offer 10 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983 High	1983 Low
METALS					
Aluminium......	£1050	—	£810/815	£1050	£810/815
Free Markets c.i.f.	$1655/1685	+55	$980/1000	$1655/685	$995/1025
Antimony......					
Free Market 99.6%......	$1890/1940	—	$2000/2075	$2040/2180	$1750/850
Copper-Cash High Grade......	£1075.5	+5.75	£855.75	£1151.5	£932.75
3 months Do. Do.	£1101.75	+7	£870.25	£1177.25	£958.25
Cash Cathodes	£1042.5	+1.5	£819.5	£1115.5	£894.25
3 months Do.	£1059.25	+3.25	£843.5	£1145.5	£922.75
Gold per oz......	$417.625	−0.5	$457.5	$508.5	$400.25
Lead Cash	£265.75	+3.125	£310.75	£316	£257
3 months	£276.375	+3.25	£321.25	£328.125	£265.75
Nickel	£4546.34	+20.41	£4021.5	£4833	£4384
Free Markets c.i.f. lb......	225/255c	+5	210/240c	£235/265c	£162/182c
Palladium per oz......	$154.50	+6	‡	‡	‡
Platinum per oz......	£295.80	+5.45	£211.85	£318.95	£244.60
Quicksilver (76 lbs)......	$280/290	+5	$360/370	$345/355	$275/285
Silver per oz......	815.95p	+5.75	556.90p	946.65p	680.30p
3 months per oz......	835.15p	+5.85	519.10p	973.10p	697.55p
Tin cash......	£8620	+172.5	£7,530	£9,290.5	£7392.5
3 months......	£8727.5	+147	£7,477	£9,281	£7402.5
Tungsten Ind......	$84.32	—	$109.41	$92.25	$77.97
Wolfram (22.04 lb.)......	$74/78	+1	$101/105	$90/92	$75/77
Zinc cash......	£577	+12.25	£438	£579.5	£423.5
3 months......	£593.5	+13.75	£443.25	£595	£436.25
Producers......	$880	+30	$800	$880	$750
GRAINS					
Barley Futures	£119.45u	+0.45	£109.10	£121.95	£109.35
Maize French......	£144.00	+0.5	£136.00	£151.00	£141.00
WHEAT Futures......	£124.90u	−0.75	£113.65	£138.85	£116.10
Hard Winter Wheat......	‡	—	‡	‡	‡
SPICES					
Cloves ......(g)	£6,250w	—	£5,800	£6,900	£6,000
Pepper, white......	$1,775w	—	$1,575	$1,900	$1,700
" black......	$1,375w	—	$1,275	$1,425	$1,200
OILS					
Coconut (Philippines)	$970w	—	$425	$1,025	$430
Groundnut 5%......	$1035w	—	$560	$1055	$485
Linseed, Crude......	$467	—	‡	£485	£308
Palm Malayan......	$610y	−40	$415	$655	$365
SEEDS					
Copra (Philippines)......	$640v	−5	$285	$660	$295
Soyabeans (U.S.)	‡	—	$239	$371.5	$233.5
OTHER COMMODITIES					
Cocoa Shipments §	£1,495	−71	£1017	£1,784	£1,127
Cocoa Futures Dec......	£1440.5	−71	£976.5	£1,728	£1,108
Coffee Futures Nov.	£1702.5	−7	£1,274	£1,940.5	£1,548.5
Cotton Index......	92.15c	+0.75	74.30c	92.15c	70.35c
Des. Coconut......	£930	—	£470	£960	£510
Gas Oil Fut. Oct....	$258	−5.5	$299.5	$277.5	$220
Jute LJA BWC grade	‡	—	£240.	£240	£240
Rubber kilo......	78.5p	—	50.75p	82p	50p
Sago Pearl	£277w	—	£245	£277	£242
Sisal No. SL	$660/675w	—	$630/640	$675	$620/630
Sugar (Raw)	£163.5 w	−1.5	£89	£193.5	£95
Tapioca No. 1......	£314w	+2	£238	£314	£315
Tea (quality) kilo......	‡	—	‡	155p	137p
(low med.) kilo......	‡	—	‡	126p	113p
Wooltops, 64s Warp......	393p kilo	−1	372p kilo	409p kilo	372p kilo

‡ Unquoted. (g) Madagascar. (y) Oct. (u) Nov. (w) Sept-Oct. (v) Oct-Nov. § Ghana cocoa.

REVIEW OF THE WEEK

Cocoa prices fall as crop fears ease

BY OUR COMMODITIES STAFF

REASSESSMENT of West African crop prospects pushed cocoa prices lower on the London futures market this week.

Consumer analysts returning from on-the-spot survey tours in the Ivory Coast and Ghana are reported to have found the situation less serious than was indicated by local reports earlier in the year. Alarmist talk about the extent of crop damage from drought and bush fires had pushed cocoa futures prices to four-year peaks early in June.

December cocoa ended the week £71 down at £1,440.50 a tonne, £277.50 below the June high.

The fall was also encouraged by talk of a sizeable reduction in European consumption because of the hot summer. U.S. usage has also been cut with July confectionery shipments down 4 per cent compared with *the same month last year.*

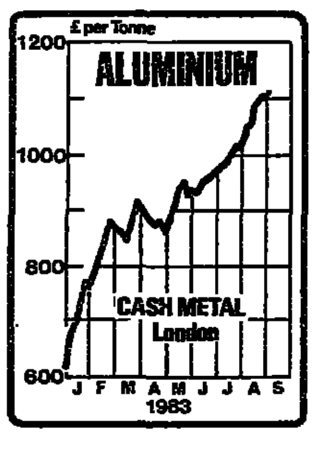
Sugar prices also fell in spite of a higher-than-expected export allotment being granted at the weekly tender in Brussels. The London daily raws price recovered £3 yesterday to end the week £1.50 lower at £163.50 a tonne.

The latest estimate from London trader E. D. & F. Man, published yesterday, puts world 1983-84 sugar production at 91.9m tonnes, down 7m from 1982-83. The biggest fall is projected for the EEC where output is forecast to fall 3.3m to 11.47m but Man says the EEC crop could be 500,000 tonnes higher given ideal weather for the rest of the season.

The U.S. drought-inspired upsurge in London soyabean meal futures ended this week with the December quotation finishing the week £13.25 down at £194.90 a tonne. The fall was seen mainly as a reaction against the previous rise but was also encouraged by Brazil thinking better of its plan to set a minimum export price.

Some analysts have warned, *however, that the price could* rise much higher if recent, even gloomier, U.S. soya crop forecasts prove correct.

The strongest base metal on the London Metal Exchange this week was zinc. Following last week's £25 rise the quotation *gained* another £12.25 to £577 a tonne.



The upturn in the U.S. motor industry remained the main factor in the market, which was also aided by news of *force majeure* on some shipments of high grade zinc by Minero Peru.

Metallgesellschaft of West Germany led a general rise in producer zinc prices from $850 to $880 a tonne and some traders are now anticipating a further rise to $900 before long.

Aluminium ended at record price levels with cash metal quoted at £1,112.50 a tonne, up £24 on the week, on the LME. Dealers said a strong resistance level appeared to have been reached but that good buying was apparent on any market dip. After rising early in the week on confirmation that U.S. producers had raised their selling prices by 5s to 81c a pound the metal remained basically steady with price movements reflecting changes in the dollar/sterling rate.

Copper began on a weaker note reflecting another rise in LME warehouse stocks to within 10,000 tonnes of the four-year peak reached in mid-June. Sterling strength and a 1.7 per cent fall in U.S. factory orders encouraged the downward movement but prices steadied on uncertainty about the international situation following the Korean aircrash incident. The cash copper price on the LME ended £5.75 up on the week on £1,075.50 a tonne, following a rise of £11.50 yesterday.

Cash standard tin ended £172.50 higher at £8,620 a tonne but most support came from International Tin Agreement buffer stock buying.

Talk of producer support buying was dismissed by Malaysia as absurd but the upward movement may have been encouraged slightly by news that Nigeria had become the sixth member of the Association of Tin Producing countries, known familiarly as "Tinpec," which aims to "stabilise" tin prices.

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.75	−0.12
Iranian Light	28.15-28.50	+0.05
Arabian Heavy	26.65-26.70	−0.05
North Sea (Forties)	30.65-30.70	−0.02
North Sea (Brent) ..	30.85	−0.25
African(Bonny Li'ht)	*31.00-31.05*	*−0.10*
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline...	299-302	−4.5
Gas oil	253-256	−1.5
Heavy fuel oil	170-172	−0.5

GAS OIL FUTURES

The market opened unchanged, tried to rally, but met consistent trade selling throughout the morning. A lethargic performance by the New York markets left the IPE to close at the lows, reports Premier Man.

Month	Yest.day's close	+ or −	Business Done
	$ U.S. per tonne		
Sept.	255.25	−0.25	256.00-55.00
Oct.	258.00	−0.25	259.00-58.00
Nov.	261.75	+0.25	262.00-61.50
Dec.	263.50	+0.75	264.00-63.25
Jan.	261.75	+0.25	262.25-61.50
Feb.	258.00	−1.00	258.50-58.00
Mar.	256.00	−0.75	256.50-55.75
April......	253.00	+1.00	255.00-53.00
May	250.00	−4.50	—

Turnover: 1,272 (1,826) lots of 100 tonnes.

GOLD MARKETS

Gold rose $1 an oz from Thursday's close in the London bullion market yesterday to finish at $417¼-418. The metal opened at $417¾-418½ and was boosted on early buying by the resignation of Brazil's central bank governor and the recent disappearance of a South Korean airliner. However, having touched a high of $418¾-419¼, profit taking pushed the metal to a low of $417-417¾ with little fresh impetus gained from the opening of U.S. markets.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
Sept	415.00-18.0	+0.500	—
Oct.	419.00-20.5	−0.150	421.00-21.1
Nov.	422.00-26.0	+0.250	425.00
Dec.	426.50-27.2	−0.350	428.50-26.8
Jan.	430.50-32.8	+1.150	432.20
Feb.	434.50-35.0	+0.300	—
Mar.	434.00-39.0	+2.800	—

Turnover: 546 (382) lots of 100 troy ounces.

	Sept. 2		Sept. 1	
Gold Bullion (fine ounce)				
Close......	$417¼-418	(£278¾-279¼)	$416¼-417	(£277¼-278)
Opening	$417¾-418½	(£279-279½)	$415½-416¼	(£277¼-277¾)
Morning fixing	$418.30	(£279.425)	$415.60	(£276.855)
Afternoon fixing	$417.50	(£279.264)	$416.60	(£277.271)

Gold Coins Sept. 2					
Krugrnd	$430¼-431	(£287¾-288¼)	King Sov	$100½-102	(£67-68)
½ Krg	$221½-222½	(£148-148¾)	Victoria Sov	$100½-102	(£67-68)
¼ Krg	$113-114	(£75½-76¼)	French 20s	$83¼-85	(£55½-56¾)
1/10 Krug	$46-47	(£30¾-31¼)	50 pesos Mex	$510-512	(£341-342¼)
Mapleleaf	$430½-431½	(£287¾-288½)	100 Cor. Aust	$408-411	(£272¾-274¾)
New Sov	$98½-99	(£65¾-66¼)	$20 Eagles	$590-610	(£394½-407¾)
½ New Sov	$58½-60½	(£39¼-40¼)			

BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade *traded at £1,072.50*, three months £1,084, 93, 93.50, 94, 94.50, 95, 96, 97, 97.50, 98, 99, 98.50, 99, 99.50, 99, 98.50. Cathodes: Cash £1,040, three months £1,065.50. Kerb: Higher Grade: Three months £1,098.50, 99, 99.50, 1,100. Afternoon: Higher Grade: Three months £1,101.50, 1,100.50, 01.00, 01.50. Kerb: Higher Grade: Three months £1,102, 02.50, 02.00, 01.50, 01.00. Turnover: 27,550 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash......	1072-3	+14.5	1075-6	+11.5
3 months	1058.5	+15.5	1101.5-2	+11
Settlem't.	1073	+15	—	......
Cathodes				
Cash......	1044.5-8.5	+11.2	1042-3	+10.5
3 months	1065.5-6	+11.2	1069-.5	+10.5
Settlem't	1039.5	+12	—	
U.S. prod.	—	—	*77-81	......

TIN

Tin—Morning: Standard, cash £8,570, three months £8,730, 28, 20, 8,680, 70, 80, 90. High Grade: Three months £8,730. Kerb: Standard: Three months £8,700, 8,690, 8,700, 01, 10, 15. Afternoon: Standard: Three months £8,720, 25, 30, 26, 27, 30. High Grade: Three months £8,725, 30, 35, 36, 40, 35. Kerb: Standard: Three months £8,730, 35. High Grade: Three months £8,740. Turnover: 3,315 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash......	8565-75	−27.5	8635-40	+27.5
3 months	8690-710	−17.5	8735-40	+5
Settlem't	8575	−25	—	......
Standard.				
Cash......	8560-70	−28	8615-25	+15
3 months	8690-710	−12.5	8725-30	+3.5
Settlem't	8570	−25	—	......
Straits E.	‡$30.31	+0.15	—	......
New York				

LEAD

Lead—Morning: Cash £265.50, three months £274, 73.50, 85, 76, 75.50. Afternoon: Three months £275.50, 76, 76.50, 76.25. Kerb: Three months £277, 77.50, 76.50, 77, 76, 76.50. Turnover: 8,100 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash......	265.5-6	+3.12	266.5-7	+3.5
3 months	275.5-6	+3.37	276.25-.5	+5.25
Settlem't	266	+3.25	—	......
U.S. Spot	—	......	*19-24	......

ZINC

Zinc—Morning: Cash £579, three months £594, 96, 95, 95.50, 95, 94, 95. Kerb: Three months £595. Afternoon: Three months £595, 93, 93.50. Kerb: Three months £593, 92, 91, 90, 89, 88.50, 88, 89, 90, 91. Turnover: 18,325 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash......	579-.5.5	+7.25	576.5-7.5	+8.5
3 months	595-.5	+7	593-4	+6.75
Settlem't	579-.5	+7	—	......
Primw'ts	—	......	*43-.75	......

ALUMINIUM

Aluminium—Morning: Three months £1,135, 35.50, 36, 37, 37.50, 40, 39, 39.50, 40, 39.50, 39. Kerb: Three months £1,138.50. Afternoon: Cash £1,111, three months £1,139, 38.50, 38, 38.50, 39, 39.50, 40. Kerb: Three months £1,143, 44, 45, 44.50, 44, 43, 43.50. Turnover: 17,150 tonnes.

Aluminim	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	1110-1	+1	1118-5	+11.7
3 months	1138.5-9	+11	1140-1	+10.7

NICKEL

Nickel — Morning: Three months £3,470, 72, 71, 70, 71, 75, 76, 77, 78, 76. Afternoon: Three months £3,465, 70, 69, 70, 65, 62, 60. Kerb: Three months £3,455. Turnover: 1,110 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −†
Spot	3385-90	+45	3374-5	+25.5
3 months	3475-6	+47	3460	+23.5

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

LME—Turnover: 64 (104) lots of 10,000 ounces. Morning: Three months 836.0, 36.5, 36.8. Kerb: three months 836.0, 33.5. Afternoon: three months 836.0, 35.5, 33.0. Kerb: three months 833.0, 33.5, 34.0.

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	815.95p	+6.10	814p	−0.5
3 months.	835.15p	+6.65	833.25p	−1.25
6 months.	855.20p	+7.10	—	......
12months	895.70p	+7.10	—	......

Silver was fixed 6.1p an ounce higher for spot delivery in the London bullion market yesterday at 815.95p. U.S. equivalents of the fixing levels were: spot $12.19, up 20c; three-month $12.492, up 20.7c; six-month $12.816, up 4.3c; and 12-month $13.456, up 4.5c. The metal opened at 818-820p ($12.25-$12.28) and closed at 816-817p ($12.2-$12.23).

RUBBER

The physical market opened easier, attracted little interest throughout the day and closed dull, reported Lewis and Peat. The Kuala Lumpur September fob price for RSS No. 1 was 264.5 (266.5) cents a kg and for SMR20 226.5 (228.0).

No. 1 R.S.S.	Yestday's close	Previous close	Business Done
	£ per tonne		
Oct.......	789-792	795-797	790
Nov	780-795	790-800	—
Oct-Dec	785-787	790-791	782
JanMch	*810-811*	*812-814*	*815-806*
Apl-Jne.	830-831	830-832	830-829
Jly-Sept	848-850	850-851	849-847
Oct-Dec	867-868	869-871	—
JanMch	887-890	889-891	—
Apl-Jne	906-910	910-911	—

Sales: 102 (97) lots of 15 tonnes 5 (21) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 78.50p (79.0p); Oct 80.75p (same); Nov 81.25p (same).

COCOA

COCOA	Yesterday's Close	+ or −	Business Done
	£per tonne		
Sept.......	1397-98	−56.5	1425-30
Dec.......	1440-41	−58.0	1467-28
March......	1451-52	−65.0	1465-38
May.......	1469-70	−65.0	1472-73
July.......	1482-85	−61.5	1484-67
Sept.......	1490-92	−54.0	1492-77
Dec.......	1497-02	−53.5	1492-85

Sales: 7,234 (8,104) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound): Daily price for Sept 2: 95.27 (96.69); five-day average for Sept 5: 98.71 (99.68).

COFFEE

COFFEE	Yest'day's Close	+ or −	Business Done
Sept.	1706-10	+4.0	1712-03
Nov......	1702-03	+9.0	1705-94
January	1668-90	+8.0	1685-81
March......	1653-54	+3.0	1657-49
May	*1622-25*	*+3.0*	*1623-20*
July	1603-04	+1.0	1605-03
Sept.	1585-90	−5.5	1590

Sales: 1,305 (3,896) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for September 1: Comp. daily 1979 126.15 (126.17); 15-day average 125.98 (125.64).

GRAINS

Mnth.	WHEAT Yestrday's close	+ or −	BARLEY Yestday's close	+ or −
Sep...	123.00	+0.05	116.35	+0.70
Nov...	124.90	—	119.45	+0.85
Jan...	127.85	—	122.55	+0.35
Mar...	130.50	—	125.30	+0.40
May..	133.10	−0.05	127.60	+0.30
July..	136.40	—	—	—

Business done—Wheat: Sept 123.00-2.75, Nov 124.90-4.35, Jan 127.80-7.40, Mar 130.60-30.10, May 133.10-2.90, July 136.40-5.90. Sales: 193 lots of 100 tonnes. Barley: Sept 116.40-5.60, Nov 19.50-8.65, Jan 122.85-2.05, Mar 125.45-4.70, May 127.75-7.10. Sales: 111 lots of 100 tonnes.

POTATOES

The market recovered during the day and closed at or near the highs with November futures remaining exactly in line with physical prices, reports Coley and Harper.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov......	171.80	166.80	172.00-68.0
Feb......	202.80	198.30	200.00-98.0
April	233.00	229.00	234.00-27.5
May	258.50	252.80	259.00-55.0
Nov......	83.50	83.50	—

Turnover: 774 (1,389) lots of 40 tonnes.

INDICES

FINANCIAL TIMES

Sept. 1	Aug. 31	M'th ago	Y'ar ago
289.91	293.02	287.61	250.73

(Base: July 1 1952=100)

REUTERS

Sept. 2	*Sept. 1*	*M'th ago*	*Y'ar ago*
1909.8	1909.0	1938.1	1529.5

(Base: September 18 1931=100)

MOODY'S

Sept. 1	Aug. 31	M'th ago	Y'ar ago
1083.6	1083.1	1074.5	1009.3

(December 31 1931=100)

DOW JONES

Dow Jones	Sept. 1	Aug. 31	Month ago	Year Ago
Spot	144.78	145.17	145.05	128.61
Fut'rs	150.23	151.08	150.38	131.71

(Base: December 31 1974=100)

SOYABEAN MEAL

The market opened limit-down in quiet trading, reports T. G. Roddick. Prices recovered on trade and commission-house buying.

	Yestday's close	+ or −	Business Done
	£ per tonne		
October.....	189.50-90.00	−2.50	186.50-91.00
Dec........	194.10-95.20	−1.85	197.00-97.00
Feb........	198.00-98.30	−2.10	197.00-98.50
April........	198.00-97.20	−1.90	—
June........	195.00-94.10	−1.20	192.50
August	195.00-95.60	−1.50	—
October.....	190.00-99.00	−5.00	—

Sales: 163 (515) lots of 100 tonnes.

SUGAR

No. 4 Contract	Yest'day's close	Previous close	Business done
	£ per tonne		
Oct.	173.50-73.75	175.25-73.50	175.00-72.50
Dec.....	180.00-81.00	181.00-81.50	182.50-80.25
Mar....	192.00-92.25	192.00	193.50-91.00
May.....	196.50-97.25	197.00-97.25	198.50-96.50

LONDON DAILY PRICE—Raw sugar £163.50 (£160.50) a tonne for Sept-Oct shipment. White sugar £184.00 (£181.50).

Sales: 1,933 (3,266) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.9 (same) a tonne for home trade and £273.50 (£270.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for September 1: Daily price 9.95 (9.96); 15-day average 10.19 (10.22).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 427, 428, nil; Dec 427, 428, 427-425; Jan 427, 429, 427-426; Mar 434, 435, 435-433; May 443, 444, 443; Aug 456, 457, 456-454; Oct 455, 455, 455; Dec 462, 464, nil; Jan 463, 465, nil; Mar 471, 474, nil. Sales: 53.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 560.0, 561.0, untraded; Dec 569.5, 569.0, 569.5-568.5; March 587.0, 588.0, 588.0-587.5; May 597.5, 601.0, nil; July 612.5, 615.0, 615.0; Oct 607.0, 610.0, 610.0; Dec 613.0, 615.0, 616.0; March 620.0, 628.0, u/t. Sales: 30.

AMERICAN MARKETS

NEW YORK, September 2

Gold and silver traded narrowly higher with early gains being pared by traders to even-up positions ahead of the long holiday weekend. Background support to the precious metals continued to be provided by the rising tension between the U.S. and Soviet Union following the downing of the Korean airliner. Copper was under pressure on liquidation associated with prospects of a continued build-up in LME stocks. *Sharp losses in cocoa* were erased late in the session as trade and manufacturer buying met with limited resistance as most traders reassessed the sharp break in light of the uncertain prospects surrounding the new crop. Sugar traded featureless with prices holding a narrow range as traders attempted to even-up positions as fresh news remained lacking. Cotton closed firm as forecasts of hot dry weather encouraged buying interest and short-covering. Coffee remained featureless but lightly supported on continued concern over the quality of the Brazilian crop. Grain markets finished sharply higher on reduced concern that the Korean plane incident would have an *impact on U.S.-Soviet grain trade.* Heating oil attracted light selling on lack of cash interest as traders await lower price levels in light of good availability of product supplies, reports Heinold Commodities Limited.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Sept	1965	1980	1938	1993
Dec	2039	2043	1975	2027
March	2066	2071	2005	2051
May	2060	2060	2031	2075
July	2100	2100	2050	2105
Sept	2140	2140	2140	2115
Dec	2160	2160	2090	2134

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	132.45	132.45	132.00	131.95
Dec	130.37	130.40	129.90	129.85
March	128.05	128.28	127.75	127.70
May	126.25	—	—	125.75
July	124.78	—	—	124.75
Sept	122.78	123.00	123.00	122.55
Dec	121.55	121.51	121.51	121.54

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Sept	72.05	72.80	71.99	72.45
Oct	72.65	—	—	73.10
Nov	73.35	—	—	73.85
Dec	74.05	74.95	73.90	74.55
Jan	74.80	75.40	75.40	75.30
March	76.25	77.15	76.20	76.80
May	77.65	78.60	77.70	78.25
July	79.05	—	79.15	79.65
Sept	80.45	81.35	80.90	81.05
Dec	82.45	83.45	83.00	83.05

COTTON 50,000 lb, cents/lb

	Latest	High	Low	Prev
Oct	80.40	80.65	79.85	79.65
Dec	81.85	81.98	81.09	80.91
March	82.70	82.70	82.20	81.92
May	83.25	83.00	83.00	82.63
July	83.50	83.55	83.00	82.80
Oct	78.00	78.00	77.80	77.60

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	416.9	415.5	415.5	415.4
Oct	419.9	422.0	418.9	418.7
Nov	423.4	—	—	422.2
Dec	427.0	429.0	425.3	425.8
Feb	434.7	436.5	433.5	433.4
April	442.6	443.8	441.5	441.3
June	450.7	452.7	449.9	449.4
Aug	459.0	460.0	457.5	457.7
Oct	467.4	467.0	467.0	466.1
Dec	475.9	477.5	475.8	474.5
Feb	484.5	—	—	483.2
April	493.3	—	—	492.0
June	502.3	—	—	501.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Oct	84.64	84.90	84.30	84.55
Nov	85.45	85.90	85.40	85.50
Dec	86.05	86.45	85.90	86.13
Jan	86.00	86.40	85.85	86.13
Feb	85.00	85.25	85.00	85.00
March	83.50	83.75	83.50	83.30
April	83.00	83.00	83.00	82.55
May	82.00	82.22	82.00	81.70

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Sept	1222.8	1226.0	1214.0	1211.5
Oct	1230.8	—	—	1220.0
Dec	1253.0	1256.0	1244.0	1242.0
Jan	1264.5	—	—	1253.3
March	1287.3	1290.0	1277.0	1275.8
May	1310.3	1312.0	1311.0	1298.8
July	1333.3	—	—	1321.8
Sept	1356.0	1359.0	1352.0	1344.5
Dec	1390.0	1393.5	1380.0	1378.5

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Oct	10.48	10.55	10.43	10.55
Jan	11.08	10.95	10.90	11.15
March	11.80	11.80	11.70	11.93
May	12.12	12.13	12.03	12.11
July	12.22	12.25	12.28	12.36
Sept	12.53	12.57	12.57	—
Oct	12.78	12.78	12.74	12.84
Jan	12.78	—	—	12.84

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	444.2	—	—	438.1
Oct	447.2	448.0	443.5	441.1
Jan	453.9	454.0	450.0	447.8
April	460.4	460.0	457.0	454.3
July	463.5	467.0	467.0	462.5

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	55.55	56.45	55.50	56.50
Dec	56.67	57.50	56.65	57.57
Feb	58.40	58.25	58.30	59.32
April	61.15	61.60	61.07	61.65
June	63.05	63.50	63.00	63.42
Aug	62.27	62.90	62.27	62.75

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	41.62	42.80	41.30	42.20
Dec	41.15	41.95	41.00	41.92
Feb	44.95	45.85	44.05	45.92
April	46.05	46.70	45.95	46.85
June	52.60	53.20	52.55	52.20
July	53.75	54.00	53.55	53.75
Aug	52.57	53.00	52.57	52.77
Oct	52.10	52.10	52.05	52.35
Dec	53.50	54.00	53.40	53.27

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
Sept	358.2	358.2	353.0	351.2
Dec	359.4	359.4	354.4	353.6
March	368.2	369.0	363.4	364.0
May	373.4	373.4	369.4	366.4
July	373.0	373.4	369.4	367.0
Sept	345.0	345.0	339.4	340.0
Dec	316.0	319.0	315.0	314.6

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	61.47	63.70	61.35	63.32
March	61.87	63.75	61.65	63.45
May	63.60	65.25	63.50	65.17
July	64.60	65.60	64.45	65.20
Aug	62.35	63.35	62.25	63.20

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Sept	*899.4*	*899.4*	*873.0*	*863.4*
Nov	911.4	911.4	882.0	881.4
Jan	927.4	927.4	895.0	892.4
March	931.4	931.4	905.0	901.4
May	930.0	930.0	905.0	900.0
July	924.0	924.0	897.0	894.0
Aug	894.0	894.0	875.0	864.0
Sept	806.0	807.0	789.0	777.0
Nov	746.0	746.4	725.0	716.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Sept	243.0	243.0	235.0	232.3
Oct	242.7	242.7	235.0	232.7
Dec	245.3	245.3	237.5	235.3
Jan	246.2	246.2	239.0	235.2
March	247.0	247.0	239.5	237.0
May	248.7	248.7	241.0	238.7
July	249.0	249.0	241.0	239.0
Aug	234.8	234.8	232.0	224.8
Sept	230.0	233.0	223.0	226.0
Oct	220.0	225.0	212.0	216.0

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	32.90	32.90	31.80	31.00
Oct	33.05	33.10	31.95	32.55
Dec	33.25	33.35	32.10	32.67
Jan	33.20	33.20	32.10	32.50
March	32.00	33.15	31.95	32.40
May	32.50	32.60	31.60	31.75
July	32.15	32.15	31.00	31.25
Aug	30.65	30.65	30.25	29.82
Sept	27.60	27.88	27.10	27.05
Oct	25.50	25.85	24.90	25.13

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Sept	386.0	389.0	384.0	384.0
Dec	407.4	409.6	403.2	405.6
March	421.4	425.0	418.4	420.2
May	425.4	429.0	423.4	426.2
July	415.0	419.4	412.6	413.2
Sept	422.0	425.4	419.4	421.4

SPOT PRICES—Chicago loose lard 27.00 (26.00) cents per pound. New York tin 594.00-602.00 (592.00-604.00) cents per pound.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system. They are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the relevant date.

‡ Bargains at special prices. ♦ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

Hydro-Quebec 12.75pcLn 2015 £97

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

AAH Hldgs 6pcPf (£1) 42 (26 8)
AE 6½pcDb 1980-85 £93 (26 8). 8pcLn 1989-94 £63●

C—D

Crosby Woodfield 10pcPf (£1) 57
Crystalate Hldgs 9¼pcLn 199-2000 £250 (30 8)
Curry Go 6½pcPf (£1) 51 (31/8)
DPCE Hldgs (5p) 237
Davenport Knitwear (70p) 160 (30 8)
Davies, Metcalfe (10p) 75 6

E—F

G—H

I—J—K

L—M

N—O—P

Debenhams 6¼pcDb 1990-95 £63 (30 8)
Decca 6pcLn 1980-25 £93
Dentsply 9½pcLn 1981-91 £77 (30 8)
Dewhurst (J J) (Hldgs) 9.75pcPf (£1) 103 (30 8)
Dewhurst (10p) 13
Dollonds Photographic Hldgs (12½p) 265
Dowty Gp 7pcLn 1986-91 £39 (26.8)
Drake, Scull Hldgs 4.9pcPf (£1) 48. 7pcPf 1992-97 (£1) 74

Q—R—S

Pfizer Inc ($0.11/9) $38½ (30.8)
Phicom 8pcPf (£1) 96 7 8
Pittard Grp 5½pcPf (£1) 85
Plessey 7¼pcDb 1992-97 £70½ (26 8)
Portals Hldgs 9½pcLn 1994-2000 £143 (30 8)
Portland Hldgs ($20.50) 11 2
Press Tools (10p) 35 7 (31 8)

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

Commercial Union Assurance 5pcPf 1999-2009 (£1) 46½ (31 8)
London Assurance 4pcPf (£1) 31 2
Standard Life Assurance 5pc £40 (30 3)
Sun Alliance and London Insurance 6½pc Ln 1980-85 £89

INVESTMENT TRUSTS

Aberdeen Tst 4pcPf (£1) 36 (30 8)

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

British Petroleum 9pcPf (£1) 83
Britoil (10p) 248 9 50 2
Burmah Oil 8pc2ndPf (£1) 50½. 7½pcPf (£1) 61. 8pcPf (£1) 69 70. 7½pcLn 1981-86 £89½ ¼ 90
Dome Petroleum 292
London and Scottish Marine Oil 9½pcPf (£1) 30½
Mobil Corpn ($2) $34
Petroleos Mexicanos 14½pcLn 2006 £72½
Shell Transport and Trading 5½pc1stPf (£1) 52½ (31-8). 7pc2ndPf (£1) 65

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

UNLISTED SECURITIES MARKET

Sinclair (Wlm) 65●
Southern Business (10p) 89
Stainless Metalcraft 112 3
Technology for Bus (10p) 75
Television South 14.20pc Subord 1986-1988 £113 (30 8)
Thermal Scientific New 87 9
Thornac Grp (5p) 53 (26.8)
United Friendly Ins B (RestVtg) (10p) 199 200

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Jennings Bros 160 5

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Amerada Hess £22 (30 3)
Other Exploration 48
Palliser Int Energy 24
Pan American World Airways 487½● (25/8)
Pancontinental Pet 23½ 4
Pan Pacific Pet 7½
Paradyne Corp £10½
Penn Central Corp $US36⅞ (30 8)
Petrofina SA £73½● ¼ (31 8)
Phelps Dodge £18½● (26 8)
Philip Morris Inc £42⅛ $US62¼
Piezo Elec Prods A 110 15
Pioneer Concrete Svcs 93 (31.8)
Placer Devel £14¼● (30.8)
Poseidon 358 80
Power Corp Canada 890 (30 8)
Prime Computer £10¼● (31.8)
Queen Margaret Gold Mines 15
RCA Corp £18
Raytheon £31⅛ (30 8)
Renison Goldfields Cons 280● (26.8)
Do Gfd 255● (26.8)
Rovex Sturgex Mining 470 (31 8)
Samantha Exploration 76
Samson Exploration 49● 50 1 1½
Security Tag Systems 487½● 500
Selangor Coconuts 120
Siemens AG £83.10●
Singapore Land 177● 87●
Sons of Gwalia 50½ 1 ½
Southern Goldfields 18 (26 8)
Southern Pacific Pet 13½
Southern Ventures 90 ½
Sparbos Exploration 20 ½
Standard Oil Calif £23⅛ (30 8)
Standard Oil Indiana £33¼
Standard Oil Ohio $US57
Straits Trading 193● (31.8)
Sturts Mining 20 (31 8)
Sun Hung Kai Props 50 (30 8)
Super Valu Stores £21¼● (31 8)
Superior Oil $US37⅛
Swire Props 44½ 6
Sydney Oil Co 25 (31 8)
Target Pet 390 (30 8)
Do. ($A0.15) 16
Teck Corp B 725
Texas Instruments £75 (30.8)
Timor Oil 3½
Tonekah Harbour Tin 130 (26 8)
Tri-Continental Corp £16⅞
Unilever NV (Fl20) £47¾● (30 8)
United O'seas Bank 168 (31.8)
Valiant Cons 14½ 15
Wang Labs B £20⅝ (31 8)
Warrior Res 70 1 ½ 6
Waste Management $US 43.575● 43.825● 44.700● 44.950● 45.725● 47.25 (31 8)
West Coast Hldgs 14 (31.8)
Western Continental Corp. 18
Westfield Minerals 135
Westinghouse Electric £28⅝ (30 8)
Wheelock Marden A 28½ 7½
Wheelock Maritime B 11½● (30 8)
Whim Creek 174 5 6 7
Windsor Res 37½● 8½● 8 ½ 9 ½
Woodside Pet 75½● 6● 7
Woolworth (F. W.) America £23½
Woolworths 148●
World Intnl 15
Zone Pet 217 (30 8)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Caledonian Offshore 4pcCnvLn 2000 25 (31 8)
Conroy Pet Nat Res 100
Kenmare Oil Exploration 8 (30 8)
Pennine Res 245 7½ 50 3 5 7 8 (1 9)

(By permission of the Stock Exchange Council)

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Equity & Law Un Tst Mngs (a) (b) (c)
Amersham Rd. High Wycombe. 0494 33377

Euro Ts. Ac.	58.2	62.5	+0.4	1.66

Robert Fleming & Co Ltd
8 Crosby Square, EC3A 6AN. 01-638 5858

AmExFd*	$269.34	275.23	....	0.63
JapExFd*	[illegible]	[illegible]		[illegible]

Next subscription day [illegible]
*Fleming American Property Unit Trust.
Latest issue price (13/8) US$10.567.
Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust.
Latest issue price (24/6) £2.067.
Units are issued on March 25, June 24, Sept 29 & Dec 25.
*Unauthorised.

Guardian Royal Ex Unit Mgrs Ltd (a)
Royal Exchange EC3V 3LS. 01-638 2020

(b)GREGtFl	108.5	112.8xd	−0.1	10.29
(g)GRENAmT	94.2	101.3	....	2.47
(g)GREPacT	101.6	109.3	−0.6	1.14
(b)PropySiT	109.8	118.1	−0.4	1.37
(g)GREGthEq	93.6	100.7	+0.2	2.18
GRESSLC	96.2	103.5	−0.8	2.56
G'hillTst	180.6	187.1xd	−2.0	3.41

H.B.L. Unit Trust Mngrs Ltd (a) (c)
Premier NT Admin. 5 Rayleigh Rd. Hutton. Brentwood, Essex. 0227-227300
Smllr Cos Ts:

N Amer Tst	47.5	50.0	+0.4	2.50
JapnFarETst	52.0	54.7	....	1.37

Hexagon Services Ltd
4 Gt St Helens, London EC4P 3EP. 0708 45322

AustFrsGw	111.0	116.9	....	1.60
BrewinsCap	82.9	87.3	....	0.57
BrewinGtInc	76.3	80.4	....	3.91
CanGwthFd	102.5	110.3	....	1.02

Lawson Fund Managers Ltd (a) (c)
43 Charlotte Sq. Edinbgh 2. 031-225 6001

Penny Sh Fd	—	15.0		1.8
Aust & Pac	9.7	10.3	+0.2	0.58
High Yield	19.5	21.2xd	....	10.40
Do Accum	20.6	22.3xd	....	10.40

MGM Unit Managers Ltd
MGM House, Heene Road, Worthing 01-623 8211

High Inc	128.8	138.5	−0.4	6.14
(Accum Uts)	130.7	140.5	−0.4	6.14
Uk Growth	[illegible]	134.1	−0.1	[illegible]
(Accum Uts)	125.0	134.4	−0.1	3.24

MLA Unit Trust Management Ltd
Old Queen Street, SW1A 9JG. 01-222 8576

MLA Units	182.2	191.3	....	2.77
MLA Int	86.6	90.2	....	0.83

The Money Market Trust
63 Qn Victoria St EC4N 4ST. 01-236 0952

Call Fund	—	—		9.30
7 Day Fund	—	—		9.24

†Unauthorised—Sterling Deposit Fund.

Offshore and Overseas—continued

Target Trust Mgrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Mgd Cur Fd	95.2	100.3	—

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.

T-G Am	$22.56	....	—
T-G Money	$21.40	....	—
T-G E'bond	$15.48	....	—

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar.
Pension Funds

Canadian Imperial Bank slips

By Robert Gibbens in Montreal

THIRD QUARTER profits of Canadian Imperial Bank of Commerce, Canada's second largest chartered bank, tumbled sharply, in line with most of the other chartered banks. The net figure was C$68.2m (U.S.$55.4m) or C$1.27 a share, compared with C$83.6m or C$1.62 a share last year.

But profits were still higher after nine months of fiscal 1983, at C$213.3m or C$2.78 a share, against C$196.3m last time.

Total assets at end July declined to C$67.9bn.

● National Bank of Canada continued its strong comeback with nine months earnings totalling C$61.7m or $1.94 a share compared with a loss of C$32.9m for the same period of the previous year. The bank is the merged combination of Banque Canadienne Nationale and Banque Provinciale.

Peak profits for U.S. brokers

By Terry Dodsworth in New York

THE U.S. securities brokerage industry notched up record profits in 1982 as it took advantage of the bull market that began in August.

According to figures published by the Securities and Exchange Commission, pre-tax profit in the sector shot up to $4.1bn, an increase of almost 50 per cent on the previous record set in the preceding year. Total revenue rose proportionately much less—up by 19 per cent to $29bn.

A large part of the increase was attributable to gains on brokerage companies' loan trading accounts, which contributed almost 28 per cent of industry revenue in 1982.

The SEC's figures follow a recent report by the Securities Industry Association which suggests that the current year, when the bull market has continued to run, will produce far higher profits than 1982.

Braniff to resume flights at the start of next year

BY WILLIAM HALL IN NEW YORK

BRANIFF INTERNATIONAL, the most spectacular financial casualty of the deregulation of the U.S. airline industry, is expected to start flying again at the beginning of next year following the approval of its reorganisation plans by a U.S. federal bankruptcy court.

The plan, which will go into operation provided there are no appeals within the next 10 days, marks the last major hurdle in Braniff's 16-month battle to get back into the skies. The airline, which filed for protection under Chapter 11 of the Federal bankruptcy code in May 1982, plans to resume flying with 30 planes and a staff of 2,000 headquartered at its old base in Dallas/Fort Worth.

The new Braniff will be a much smaller version of the old airline, which was far and away the most aggressive U.S. airline in the early years of the deregulation of the U.S. industry.

In the space of a few years Braniff grew from a small Texas-based regional carrier into a major international airline—the only U.S. carrier, incidentally to operate Concorde. But expansion was brought to an abrupt halt by soaring fuel prices and a slump in demand. In May 1982, its fleet of more than 60 jets was grounded.

Since then the airline has been trying to get back into the skies and several initiatives have flopped. Last April, when a deal with former arch rivals Pacific South West Airlines fell through, it looked as if Braniff would never fly again. Shortly afterwards, however, Hyatt, a U.S. hotel group owned by the wealthly Pritzker family, offered to rescue the company.

The terms of Braniff's reorganisation will result in Hyatt owning some 80 per cent of the airline. Hyatt is investing $20m in cash in Braniff and will obtain loan commitments for up to $50m so that Braniff will have around $70m in cash available for the resumptions of flying operations.

Braniff's secured creditors will own the majority of the company's assets, including all of its aircraft. In addition they will get 6 per cent of the equity. Existing shareholders in Braniff will own around 1.7 per cent of the airline.

Tata offshoots lift sales but profits take a knock

BY R. C. MURTHY IN BOMBAY

TATA, India's largest conglomerate, reports improved sales for its major units following a drop in steel stocks and increased demand for commercial vehicles.

But two leading members of the Tata group, Tata Iron and Steel (Tisco) and Tata Engineering and Locomotive (Telco), which top the Indian corporate sector in terms of assets, had their profit margins and net figures eroded last year. Consumer goods manufacturing companies in the group, recorded impressive profit increases.

Tisco's turnover was Rs 7.98bn ($790m), up 13 per cent from the previous Rs 7.04bn, in the year to March. Pre-tax profits were, however, almost halved to Rs 448.7m from Rs 76.5m. Tax rebates on capital investments helped maintain the company's after tax earnings at Rs 449m against last year's Rs 476.5m. The dividend was unchanged at 17 per cent.

Tisco is currently launching a Rs 4bn second phase modernisation of its plant, including a bar and rod mill. The Rs 3bn first phase was recently completed.

Telco, India's largest commercial vehicle manufacturer, has reported a 17 per cent fall in pre-tax profits to Rr 348m from Rs 418.8m. Sales were up 8 per cent to Rs 8.61bn from Rs 8.02bn and the payout has been maintained at 20 per cent.

In contrast, Tata Oil Mills (Tomco) announced pre-tax profits of Rs 44.85m, up from Rs 22.8m, on sales up 4 per cent to Rs 1.69bn. Profits include a capital gain of Rs 7m on the sale of shares in Lakhme, a Tomco subsidiary.

Hong Kong utility ahead at halfway

By Robert Cottrell

NET EARNINGS of HK$357.2m (US$47.25m) are reported by Hongkong Electric Holdings, one of the territory's two power utilities, for the half-year to end-June, an increase of 18 per cent over the comparable 1982 period. An interim dividend of 15 cents a share is proposed, up from 13 cents paid last year. Earnings per share for the half totalled 30 cents a share, compared with 25.4 cents a share for first-half 1982.

Hongkong Electric's net earnings for the whole of 1982 totalled HK$784.6m.

● Cross-Harbour Tunnel, the Hong Kong company which is an associate of the Wheelock Marden group, says interim profits for first-half 1983 declined to HK$71.99m from 1982's corresponding HK $74.79m.

Earnings per share fell from 59 cents to 57 cents.

New chief executive for Bayer

By John Davies in Frankfurt

BAYER, the West German chemical and pharmaceutical group, has named Herr Hermann-Josef Strenger to succeed Professor Herbert Grünewald as chief executive in the middle of next year.

The appointment is the latest in a "changing of the guard" at the top of all three major West German chemical concerns. At BASF, Dr Hans Albers recently took over from Professor Matthias Seefelder, while at Hoechst, Professor Rolf Sammet is due to vacate the chief executive's desk in 1985.

Bayer, like BASF, has chosen its new top manager from within the ranks of its long-serving executives.

Herr Strenger, who is 54, is at present deputy chief executive and has worked with Bayer for 34 years, including 11 years as a management board member.

With a sales background, he has responsibility for Bayer's crop protection division as well as overall marketing activities. He is on the supervisory board of Bayer's Agfa-Gevaert subsidiary.

He will take over the top management job when Professor Grünewald moves to the more elevated but remote position of chairman of the supervisory board after the shareholders' meeting in late June next year.

As at the other West German chemical giants, the appointment marks a new era with the departure of chief executives who have long dominated their companies.

Professor Grünewald has been in the top management position since 1974 and has seen sales revenue nearly double in that time from DM 18.9bn to DM 34.8bn ($13bn) last year.

Pharmacia plans big Wall Street funding

BY DAVID BROWN IN STOCKHOLM

PHARMACIA, the Swedish pharmaceutical and biotechnology group, plans to issue up to 2.2m shares in the U.S. to raise around $64m.

The new funds will be used to finance corporate expansion, said the group, noting the planned investment of $15m in Pharmacia Inc of the U.S. as well as extended research and development activity.

Mr Ralf Hammar, finance director, said: "We hope to release the shares by the end of September." Group capital spending is expected to rise from SKr 143m to SKr 260m ($33m) this year.

Pharmacia's American Depositary Shares (ADS's) now traded over-the-counter in the U.S. are present valued at about $58. Pharmacia is to make a share split and the new shares are to be issued on a post split basis.

The U.S. issue represents an increase in total foreign capital to 13m shares out of a total of 32m.

Pharmacia's net sales rose by 24 per cent to Skr 1.1bn for the 1983 first half, with 90 per cent generated abroad. Pre-tax profits climbed 88 per cent to SKr 130m. The biggest sales growth area have been the separation products divisions, supplying the biotechnology industry, and the pharmaceutical division—both up 60 per cent.

Last year profits more than doubled to Skr 318m on sales of Skr 1.8bn.

The group said there was "a good chance" that it would exceed its sales growth forecasts this year and predicted that earnings would again climb steeply.

Esso France slips deeper into red after six months

BY PAUL BETTS IN PARIS

ESSO SAF, the French subsidiary of Exxon, the world's largest oil company, reports sharply higher losses of FFr 307m ($38m) for the first half of this year, compared with a loss of FFr 158m.

The company blamed the depressed oil market and government price fixing.

It also attacked the government's decision this week to change its controversial petroleum products price formula again. Esso claimed the latest changes would penalise even further the French oil refinery business which lost a total of FFr 13bn last year.

The modification to the pricing formula — a switch from average currency rates to a fixed rate — is now causing uproar in the French refinery industry.

Esso, like the other major refiners in France, claimed this was an arbitrary and unreasonable decision in that the real U.S. dollar exchange rate recently has been averaging more than FFr 8.

Elf Aquitaine, the large French oil company, claimed the latest Government measures would increase current downstream losses in France by an additional FFr 40m to FFr 50m a month.

Total, the other French oil company and the country's largest refiner accounting for a quarter of the oil refining business in France, also said yesterday it would incur additional losses although it was unable to quantify the amount.

Esso's losses would have been much heavier had it not been for the U.S. group's profitable French exploration and production offshoot, Esso Rep.

Further loss for Rectifier

By Paul Taylor in New York

INTERNATIONAL RECTIFIER, the world's largest independent supplier of power rectifiers, incurred a fiscal fourth quarter loss of $12.2m or $2.17 a share because of a patent infringement settlement with Pfizer, the pharmaceutical and health care company. It compares with a loss of $1.36m or 24 cents a share in the same period last year despite an 18 per cent increase in sales to $32.3m.

The settlement with Pfizer followed a $55.8m judgment against the company and resulted in an $11.44m charge in the quarter, after using a $4m reserve established previously.

Under the terms of the settlement, International Rectifier has been forced to surrender its animal health care business to Pfizer and give Pfizer a 50 per cent interest in its Rachelle Laboratories subsidiary's fermentation business. The special fourth quarter charge included recognition of Pfizer's 50 per cent interest in the facility which is now up for sale.

Excluding the charge, International Rectifier said its fourth quarter loss from continuing operations fell from $5.4m in 1982 to $4.2m in the latest period.

For the full year International Rectifier reported a loss of $15.3m or $2.77 a share compared with a loss of $2.3m or 42 cents a share previously on sales up from $119.2m to $126.8m.

Singapore bid

It was incorrectly reported yesterday that Mr Dennis Lee Kim Yew was a director of Tang Eng, the Singapore investment company currently bidding for United Industrial Corporation, of which Mr Lee Kim Yew is chairman. Mr Lee Kim Yew is not a member of the Tang Eng board.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1839

High Income				
Gilts & Fixed Int.	109.0	115.3	+0.1	10.41
High Inc Equity	51.1	55.0	-0.3	6.62
Capital Growth				
American Growth	102.6	110.3	+0.4	1.77
[illegible]				

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777
Britannia Viewpoint 01-673 0048

UK Specialist Funds				
Assets	154.3	166.4	-1.1	3.41
Recovery	60.4	65.1	-0.1	2.94
Smaller Cos	87.5	94.3	-0.5	1.77
Spec. Mkt. Sits.	73.9	79.7	-0.1	1.48
UK Blue Chip	50.2	54.1	-0.3	3.20
High Income Funds				
Nat. High Inc.	105.2	113.4	-0.4	6.61
Extra Inc.	41.4	44.6	-0.2	8.74
Inc. & Growth	109.8	118.4	-1.0	5.84
[illegible]				

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU. 01-245 9321

Growth	19.3	20.8	.....	3.50
Income	34.4	37.0	+0.4	8.80
Overseas	70.8	76.2	-0.2	5.70
[illegible]				

Henderson Administration (a) (b) (c)
Premier UT Admin, 5 Rayleigh Rd, Hutton, Brntwd, Essex. 0277 217238-227-300

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St Mary Axe, EC3A 8BP. 01-920 0311

Equity Accum. (2)	74.2	79.8	-0.8	2.85
Equity Dist.	55.8	60.0	-0.6	2.85
High Income	48.1	51.8	-0.1	7.15
[illegible]				

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-726 1999

Capital (Accum.)	193.3	207.8	-0.2	1.57
Energy Tst.	57.0	61.2	-0.5	0.95
Extra Inc.	96.0	103.2	.....	6.39
[illegible]				

Save & Prosper—continued

Overseas Funds & Sector Funds				
Europe (z)	146.7	157.9	+1.1	0.96
Japan (z)	184.7	150.8	-2.4	0.22
Japan Smllr. Co's (z)	46.9	50.6	-0.1	0.10
S.E. Asia (z)	78.6	84.6	-0.3	1.20
U.S. (z)	226.1	243.3	+0.9	0.47
Commodity	175.3	188.6	+0.2	1.90
Energy	153.2	164.9	-0.4	1.97
Exploration Fund (z)	40.3	43.3	-0.1	0.25
Financial Secs.	138.4	148.9	+0.1	2.77
New Technology (z)	92.6	99.6	.....	0.00
Scotbits	65.7	71.0	.....	3.25
Special Situation Fd.	53.4	57.7	-0.2	2.57
Intl. Bond Fd. (z)	80.1	87.0	+0.4	1.64
[illegible]				

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol 0272 732241

Australian Securities	71.3	76.7	+1.5	1.40
(Accum. Units)	71.8	77.2	+1.6	1.40
Capital	212.6	227.6	-1.2	3.37
(Accum. Units)	349.4	374.0	-1.8	3.37
Exempt	173.8	187.0	-1.2	7.27
(Accum. Units)	343.0	368.8	-2.8	7.27
Far Eastern	112.4	120.9	+1.2	1.51
(Accum. Units)	117.1	125.9	+1.2	1.51
Fin & Prop.	29.7	32.0	+0.1	3.50
(Accum. Units)	43.2	46.5	+0.1	3.50
Gilt Capital Trust	102.8	106.8	+0.1	7.92
(Accum. Units)	103.9	108.0	+0.1	7.92
[illegible]				

INSURANCES

[illegible]

MARKET REPORT

Equities continue retreat from record highs, but leaders stage good rally after official close

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug 15	Sept 1	Sept 2	Sept 12
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10

* "New-time" dealings may take place from 9.30 am two business days earlier.

The hasty retreat from record highs in London share values continued yesterday, and dealers breathed with relief as the long trading Account closed. Extended trading periods are not popular with market dealers and the latest one justified their reservations about extensions to the normal fortnightly Account.

Equity confidence was high three weeks ago and optimism that the bull market would continue was soon confirmed. At the start of the second leg of the Account, the FT Industrial Ordinary share index hit an all-time peak of 740.4. Yet eight days later, this measure was threatening to fall below 700 for the first time since mid-July in markets suddenly drained of confidence.

Several factors contributed to the change of direction. Expanding U.S. money growth with its accompanying upward pressures on short-term interest rates returned to haunt London markets. Equity investment, traditionally low in the summer months, also became inhibited by two bearish predictions about UK economic prospects, one from NIESR and the other from the CBI.

Losses sustained recently in oil exploration stocks, particularly Irish Sea hopefuls, have been another adverse influence causing anxieties which may well continue until after settlement day on September 12.

Yesterday's news that the UK balance of payments surplus in 1982 had been understated by some £1½bn made no impact on market sentiment. Equity markets have also shown indifference to Wall Street's recent upturn, although leading shares did rally sharply after 3.30 pm yesterday. This followed the U.S. market's latest advance which coincided with the start of the new trading Account in London; the U.S. market will be closed on Monday.

The FT 30-share index fell consistently in official trading to stand 7.1 lower at 3 pm, but at the final count was only a net 2.8 down at 705.8 for a four-day loss of 16.3.

Government securities again resisted attempts to move lower. The market was cautious because estimates of this week's likely movement in U.S. money supply were worrying, ranging from a tiny deficit to a substantial increase. Cheap buying eventually brought all maturities back to overnight levels and, helped by small demand on behalf of a building society, the shorts generally closed harder on the day.

Insurances subdued

A friendless sector since Wednesday when Guardian Royal Exchange announced disappointing interim figures and gave rise to fears of a premium price-war in motor business, Composite Insurances passed another subdued session and showed no signs of rallying. Business was minimal and, with the exception of Commercial Union, which edged up a penny to 170p, quotations usually gave further modest ground. GRE settled 3 cheaper for a fall on the week of 43 to 482p. Eagle Star eased 5 more to 438p and Royals 3 to 503p.

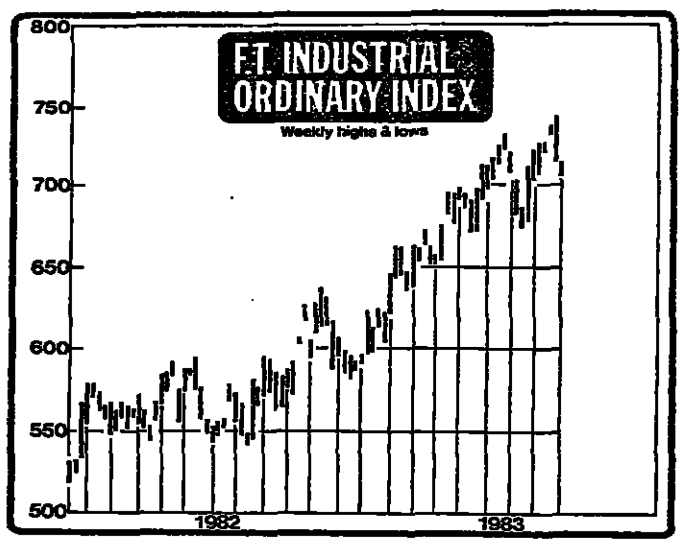
The major clearing banks closed a few pence lower, where changed. Bank of Scotland shed 7 to 498p on lack of interest. Merchant Banks trended easier in thin trading.

Blue Circle resisted the generally dull trend in Buildings and closed 5 dearer at 433p. Other leading issues drifted back on scattered offerings in the absence of support. Redland, firm on Thursday, came back 5 to 234p, while RMC eased 3 to 352p. AMEC again traded nervously and shed 3 more to 222p; the interim results are due soon. Housebuilders remained overshadowed by the controversy surrounding timber-framed houses; Barratt Developments slipped to 206p before closing a net 4 off at 208p. George Wimpey lost the turn to 109p. Countryside came under pressure and shed 8 to 194p, but Wilson (Connolly) attracted occasional interest in front of next Tuesday's half-timer and hardened a couple of pence to a 1983 peak of 188p.

ICI drifted back to 536p before late support left the close just 2 cheaper on balance at 540p. Profit-taking again left its mark on Laporte, down another 11 at 302p. Amersham gave up 5 to 256p. Novo Industries B, a good market earlier in the week on the U.S. food and drug administration's go-ahead to begin marketing its human insulin in the States, came back 3 points to £216.

Milletts up again

Special situations provided some much-needed interest among generally uninspiring Stores. Speculation concerning Nottingham Manufacturing's interest in the company following its reported moves into retailing prompted renewed strength in Milletts Leisure, which advanced 8 to a 1983 peak of 163p. Doubled first-half profits and an increased interim dividend lifted Church 20 to 320p, while buyers again displayed sporadic interest in Home Charm, 3 dearer at 124p. In contrast, end-Account profit-taking clipped 8 more from Comet, 280p, and 4 from MFI, 135p, while Mellins closed 6 easier at 128p. Elys (Wimbledon), at 270p, lost 15 of Thursday's jump of 60 that stemmed from favourable comment; Owen Owen which holds a near-30 per cent stake in Elys, gave up 3 more to 150p. Loss-making West Country-based furniture manufacturers Kraft Productions, in which dealings were suspended on August 11 at 165p returned to the market following the publication of tentative takeover and reorganisation proposals; after opening at 185p, the shares quickly advanced to 370p before settling at 250p.



Inclined easier initially, Electrical leaders rallied towards the close and finished slightly higher on balance. GEC and Plessey both closed a shade harder at 206p and 191p respectively. Elsewhere Arlen Electrical turned reactionary and gave up 12 to 158p, compared with a 1983 high of 380p. Cambridge Electronic continued to give ground after the interim figures with a fresh fall of 5 to 258p. Ferranti lost 8 to 580p and AB Electronic 30 to 800p, while Mellerware encountered profit-taking after the half-year figures and lost 7 to 98p.

Revived speculative demand for Belgrave (Blackheath), which closed 18 higher at 123p, after 128p, helped to enliven interest in an otherwise quiet Engineering sector. In contrast, Babcock International remained on offer after the interim results and gave up 9 for a four-day loss of 19 to 155p, while James Dickie (Drop Forgings) lost 7 to 41p on the fall in interim profits.

Down to a 1983 low of 100p initially following comment on the interim results, Cadbury Schweppes rallied to close without alteration at 102p. Consideration of the rights issue proposal left Tate and Lyle 4 dearer at 360p.

Hoover A strong

Hoover A moved ahead strongly to close 50 higher at 210p in response to news of the bid discussions with the U.S. parent company. Cleaning shares remained in the limelight following the surprise bid for Sunlight Service for Brengreen. This followed hard on the heels of Sunlight's offer for Spring Grove; Sunlight Service advanced 23 to 215p, but Brengreen gave up 8 to 101p and Spring Grove eased 2 to 48p. Mettoy displayed marked weakness after the announcement that its associate company Dragon Data has suffered a serious setback, dropping to 3p before closing 9 down on the day at 8p. In sympathy, Fobel fell 12 to 88p, after 75p, and Applied Computer reacted 15 to 390p. Inter-City, in contrast, attracted further buying and rose 12 for a jump of 24 on the week to 93p. Polly Peck improved ½ further to £25½ and Wearwell closed 5 up at 87p.

Among Television issues, TVS N/V attracted demand in a thin maret and firmed 4 to 71p. LWT A hardened a couple of pence to a 1983 peak of 173p. Trident TV A, up 6½ on Thursday on hopes that Pleasurama will be given the go-ahead by the Monopolies Commission to launch another bid for the company, touched 101½p before closing without alteration at 100p; the Commission is not expected to publish its findings for at least another month.

Proceedings among Newspapers were featured by United which fell 24 from the 1983 peak to close at 246 following the near £30m rights issue, partly fund the purchase of Gralla Publications ofthe U.S.; United also announced increased first-half profits and an 11 per cent rise in the interim dividend. Elsewhere, Associated were again wanted and gained 4 more to 385p, while Daily Mail hardened 5 to 740p. John Waddington staged a useful recovery in closing 16 better at 256p, still 38 below the terms from British Printing and Communication. 3 dearer at a 1983 high of 113p; the offer closes next Wednesday.

Properties ended the Account on a subdued note. The leaders, initially a few pence easier, picked up to close virtually unchanged. Occasional support was forthcoming for Slough Estates, which hardened 2 to 102p, but Hammerson A, after touching 700p, drifted off to close without alteration at 695p. Scattered interest left London and Provincial Shop a few pence dearer at 288p, but Espley-Tyas again lacked support and gave up 4 to 73p.

Irish sea exploration stocks continued the recent recovery movement. Atlantic Resources were actively traded before settling at 350p, up 30. Eglinton also rose 30, to 220p, while Aran finished a penny firmer at 46p, after 49p. Elsewhere, rumours of an oil and gas find in the Timor Sea prompted fresh speculative demand for Weeks Australia, which advanced 9 for a two-day gain of 19 to 44p. Leading Oils trended a shade easier. Comment on the half-year figures failed to inspire BP which which settled a couple of pence lower at 436p. Shell held at 610p, but Lasmo lost 7 to 323p. Lower half-year profits left Hamilton Oil 6 down at 222p.

Golds firmer

Increasing international tension, caused by the shooting down ofthe South Korean passenger jet, led to an initial flurry of buying interest in precious and base metals.

This in turn prompted widespread and sometimes substantial demand for mining shares, but the trend petered out around mid-day.

South African Golds were still left with good gains, especially the heavyweights, and the Gold Mines index responded with a rise of 7.3 at 679.8, leaving theis measure marginally higher over the shortened week.

Bullion was finally $1 firmer on balance at $417.625 an ounce, after $419.

Top performers in the heavyweights included Southvaal, a point to the good at £45½. Vaal Reefs, a similar amount firmer at £87½; Buffels, £42¾, Western Deep, £40¾, and Free State Geduld, £32¾, all gained about ½.

Winkelhaak advanced £1¼ to a 1983 high of £33¾ ahead of the final dividend due next Wednesday, along with dividend announcements from Bracken.

South African Financials were highlighted by the exceptional strength of "Amgold" which jumped £1½ to £84½ following the good interim results and increased dividend. Gold Fields of South Africa also made progress and closed ½ up at £89. Gencor edged up ¼ to £18¼ and Rand Mines Properties rose 10 to a year's best of 830p.

London Financials remained depressed by the recent weakness of UK equities. Gold Fields dropped 7 more to 600p and RTZ a like amount at 650p. Gold Fields are due to announce full-year results on September 13 while RTZ's interim figures are expected at the end of the month.

Australians closed an active week on a quiet note.

The recent speculative Gold favourites tended to mark time with Metana unaltered at 170p; persistent talk of a major gold find at Nullagine in Western Australia, had boosted Metana's shares by some 42p over the previous two days.

Other Western Australian gold explorers to move ahead included Ivanhoe, 2 firmer at 15p, Eastern Petroleum, 4 better at 44p and Windsor Resources, which put on 3 to 42p.

Western Mining rallied 4 to 280p but remained some 14 lower over the week following Wednesday's uninspiring results and news of the A$123m plus share placing and issue of options.

North Kalgurli proved one of the week's features and jumped 4 more to a 1983 high of 82p — up 15 on the week — on further consideration of the proposed doubling of gold production at the Fimiston mine in Kalgoorlie, Western Australia.

The widespread apathy displayed for London equities was mirrored by Trade Options which attracted only 1,219 contracts. Business was almost equally divided between calls and puts with 640 and 579 trades respectively. The short week's daily avereg amounted to 1,302 — the lowest so far this year. Imperial Group, dull earlier in the week following fears of a cigarette price war, attracted useful support following a broker's recommendation and, in an evenly-balanced trade, recorded 140 calls and 172 puts: 104 of the latter were struck in the November 120s.

FINANCIAL TIMES STOCK INDICES

	Sept. 2	Sept. 1	Aug. 31	Aug. 30	Aug. 26	Aug. 25	Year ago
Government Secs. ...	79.45	79.51	79.23	79.41	79.60	79.72	78.87
Fixed Interest.........	82.27	82.19	82.28	83.40	82.44	82.61	78.84
Industrial Ord.........	705.8	708.6	707.4	716.3	722.1	717.4	596.2
Gold Mines	679.8	672.5	678.9	685.8	678.5	672.6	359.8
Ord. Div. Yield.........	4.79	4.73	4.75	4.70	4.68	4.71	4.98
Earnings. Yld.% (full)	9.65	9.59	9.62	9.52	9.49	9.54	10.75
P/E Ratio (net) (*).....	12.89	12.99	12.94	13.08	13.13	13.06	11.35
Total bargains.	26,046	20,546	17,157	17,067	18,578	19,701	22,687
Equity turnover £m.	—	176.36	163.54	136.32	148.87	174.68	158.08
Equity bargains.......	—	17,153	16,797	15,706	14,647	15,142	14,881
Shares traded (ml)...	—	151.2	115.3	96.1	102.4	114.9	158.6

10 am 705.2. 11 am 703.7. Noon 702.1. 1 pm 701.8. 2 pm 702.1. 3 pm 701.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.18.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs ..	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.....	84.74 (15/6)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord......	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines.	734.7 (15/2)	531.5 (29/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 1	Aug. 31
—Daily Gilt Edged Bargains...	128.6	130.4
Equities Bargains...	111.1	108.8
Value	386.5	350.5
5-day Avrge Gilt-Edged Bargains...	126.7	128.4
Equities Bargains ...	102.9	102.2
Value.......	322.9	325.*

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, September 1, 1983.

Newspapers, Publishing	+56.09	Gold Mines Index	+20.84
Motors	+50.61	All-Share Index	+18.09
Oils	+47.19	Health and H'sehold Products	+17.89
Other Industrial Materials	+46.53	500-Share Index	+15.94
Chemicals	+38.35	Insurance Brokers	+12.29
Office Equipment	+37.54	Industrial Group	+10.75
Shipping and Transport	+37.07	Engineering Contractors	+10.06
Merchant Banks	+36.39	Food Retailing	+ 9.55
Mining Finance	+35.95	Property	+ 8.94
Insurance (Life)	+33.87	Consumer Group	+ 7.71
Packaging and Paper	+32.99	Capital Goods	+ 7.22
Other Groups	+32.99	Building Materials	+ 6/24
Insurance (Composite)	+27.76	Food Manufacturing	+ 3.58
Other Consumer	+26.62	Mechanical Engineering	+ 3.18
Banks	+26.30	Stores	+ 2.41
Overseas Traders	+25.67	Discount Houses	+ 2.20
Leisure	+24.91	Brewers and Distillers	+ 0.47
Investment Trusts	+23.66	Electricals	+ 0.05
Financial Group	+23.50	Contracting, Construction	− 1.55
Textiles	+23.45	Tobaccos	− 8.88
Metals and Metal Forming	+22.27		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 22	Sept 9	Nov 24	Dec 5
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3

For rate indications see end of Share Information Service

Stocks favoured for the call included Hoover A, Argyle Trust, Aran Energy, Phoenix Properties, Bambers, Marling, Premier Oil, General Oriental, M. P. Kent, Town and City Properties, London and Northern, Polymark, Inter-City, Yelverton, Exco International Atlantic Resources, Waterford Glass, Raybeck, Fleet, First National Finance, W. E. Norton and Barrie. Puts were done in Mettoy and BL.

RISES AND FALLS ON THE WEEK

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	14	6	80	96	165	141
Corpns. Dom. & Foreign Bonds...	8	8	61	32	43	233
Industrials	161	404	804	650	1,337	3,489
Financial and Props.	68	124	324	228	489	1,349
Oils	24	30	58	106	110	232
Plantations	3	5	13	7	18	59
Mines	76	29	58	217	171	264
Others	68	48	78	290	197	284
Totals	412	654	1,486	1,626	2,530	6,051

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (58)

COMMONWEALTH LOANS (1)
Aust. 6pc 1981-83

AMERICANS (3)
Honeywell, Sperry Corp., I U. International

CANADIANS (6)
Brascan, Inco, Greenwich Res., Rio Algom, Imperial Oil, Seagram

BANKS (1)
ANZ

BREWERS (1)
Clark (Matthew)

BUILDINGS (2)
Benford Concrete, Wilson (Connolly)

STORES (2)
Church, Milletts Leisure

ELECTRICALS (1)
Microfilm Repro.

FOODS (3)
Tesco, Paterson Jenks, Do. 9pc Cnv. Uns. Ln. 2002-07

HOTELS (1)
Wheeler's Restrnts.

INDUSTRIALS (11)
British Syphon, Hartons, B.H. Prop., Hoover A, Consultants (Computer & Fin.), Inter-City Invs., Jenks & Cattell, Continental Group, Kleen-E-Ze, Crean (J.), Sunlight Service

INSURANCES (1)
Pearl Assurance

LEISURE (2)
LWT A, TVS N.V

NEWSPAPERS (2)
Assoc. Book Pubs., Intl Thomson

PAPERS (1)
British Printing

PROPERTY (1)
Sheafbank Prop.

TRUSTS (4)
Dualvest Cap., Fashion & Gen., Equity Cons., TR Ind. & Genl.

OILS (9)
Bridge Oil, Weeks Australia, Genoa NL, Weeks (Bermuda), Magellan Pet., Weeks Pref. (Aust.), Moonie Oil, Woodside, Sceptre Res.

PLANTATIONS (1)
London Sumatra

MINES (5)
Winkelhaak, Metals Ex., Rand Min. Props., North Kalgurli, Crusader Oil

NEW LOWS (25)

BUILDINGS (3)
Crouch Group, Lawrence (W.), H.A.T. Group

STORES (4)
Great Universal, Menzies (J.), Do. A, NSS News.

ELECTRICALS (6)
Black (Michael), Immed. Bus. Systs., CPU Computers, Muirhead, FKI Electrical, Pifco A

FOODS (2)
Barrow Milling, Watson & Philip, Cadbury Schweppes

INDUSTRIALS (7)
Crest Nicholson, Russell (A.), EIS, Scotcros, Fobel Internatl., Stocklake, Mettoy

LEISURE (1)
Adam Leisure

TEXTILES (1)
Notts. Mfg.

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Cornell	22	263	+16	BP	15	438	+ 2
Edenspring Inv.	19	12½	+ 0½	Tomkinsons ...	15	172	—
Barrie Invs. ...	18	12½	+ 1½	ICI	14	542	—
Inter-City Invs.	18	81	+ 8	Trident TV "A"	14	100	+ 6½
Hoover "A" ...	17	160	+11	Brengreen	13	109	+ 9
Sunlight Servs.	17	192	+18	Glaxo	13	810	—
TACE	16	154	+10	Micro. Bus. Sy.	13	475	+ 5

4-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
ICI	70	542	+18	Inter-City Inv. .	51	81	+17
Glaxo	67	810	+10	Mdld. Bk. New	51	82pm	+ 2
Edenspring Inv.	59	12½	—	Royal Insce. ..	50	508	−32
Racal Elect. ...	54	453	−21	Ladbroke Group	49	219	− 2
RTZ	52	657	− 3	Cornell	48	263	+30
BP	51	438	+ 6	BSR	47	172	− 8
GEC	51	205	—	GKN	47	176	− 2

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Aran Energy	46	+ 1	Ladbroke	214	− 5
Atlantic Res.	350	+30	Mettoy	8	− 9
B.H. Props.	708	+24	Sunlight Service	215	+23
Cadbury Schweppes...	102	—	Utd. Newspapers	246	−24
Fobel Intl.	88	−12	Wearwell	87	+ 5
Hoover A	210	+50	Weeks (Australia)......	44	+ 9

Hamilton Oil profits slip at midterm

Operating profits of Hamilton Oil Great Britain, for the six months to June 30 1983, amounted to £8.06m compared with £11.61m.

The first half results were not only affected by a lower level of production, but also by lower crude oil prices and movements in the sterling/dollar exchange rate.

The company's operating income is mainly derived from its 28.8 per cent share of production in block 30/24 of the UK sector in the North Sea. Total production from that block — in millions of barrels — was Argyll Field 3.13 (3.44) and Duncan Production tests 0.32 (0.84).

Including interest income of £1.07m against £1.4m the taxable surplus emerged at £9.06m compared with £13.04m. Tax for the period was £4.76m (£6.63m) to leave retained profits of £4.3m (£6.41m).

The results of Hamilton International Oil, acquired in May 1983, have been included in the interim results, but none of the comparative figures have been restated.

Group earnings per share fell from 12.8p to 7.5p.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net. Div.	Times Covered	Gross Yield	P.E. Ratio
$115	F.P.	14/9	152	130	Aaronite Group.....	143	.....	bd2.5	2.2	2.5	23.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Sept 2 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Sept 1 Index No.	Wed Aug 31 Index No.	Tues Aug 30 Index No.	Fri Aug 26 Index No.	Year ago (approx) Index No.	1983 High	1983 Low	Since Compilation High	Since Compilation Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri Sept 2	Day's change %	Thur Sept 1	xd adj. today	xd adj. 1983 to date
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Fri Sept 2	Thur Sept 1	Year ago (approx)	1983 Highs	1983 Lows
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Scottish Ontario Investment (71) has been deleted and replaced by Henderson Administration Group (70).

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	64.8	68.7	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Sept 1	61.3	66.1	.....	—
MM Flexible Sept 1	53.0	56.9	.....	—
Fixed Interest Sept 1	54.7	57.7	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	299.8	—	−0.4	—
Invest. Tst. Fd. Acc.	305.4	—	−0.3	11.9
Property Fund Cap.	117.2	—	+0.1	—
Property Fund Acc.	123.2	—	+0.1	4.2
Flexible Fund Cap.	179.6	—	+0.4	—
Flexible Fund Acc.	188.7	—	+0.4	4.1
Fixed Int. Fd. Cap.	134.4	—	+0.6	—
Fixed Int. Fd. Acc.	141.4	—	+0.6	—
Gtd. Deposit Fd. Cap.	138.6	—	.....	—
Gtd. Deposit Fd. Acc.	144.7	—	.....	—
Equity Fund Cap.	130.8	—	.....	—
Equity Fund Acc.	137.1	—	.....	—
International Fd. Cap.	137.8	—	−0.6	—
International Fd. Acc.	144.3	—	−0.6	—
Capital Gwth. Fd.	420.5	—	−0.1	—
Moneymaker Fund	165.6	—	+0.3	—
Exempt Inv Tst Cap.	407.8	—	−0.4	—
Exempt Inv Tst Acc.	421.0	—	−0.4	—
Exempt Inv Tst NS	419.7	—	−0.4	8.0
Exempt Ppty Cap	188.9	—	+0.2	—
Exempt Ppty Acc	195.5	—	+0.2	—
Exempt Ppty NS	194.4	—	+0.2	3.7
Exempt Flex Cap	240.1	—	+0.5	—
Exempt Flex Acc	248.3	—	+0.5	—
Exempt Flex NS	247.0	—	+0.5	4.2
Exempt Equity Cap	111.3	—	+0.1	—
Exempt Equity Acc	114.9	—	+0.1	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	287.8	+1.1	—
Property Fund (A)	280.0	+1.0	—
Agricultural Fund	1,106.0	+10.2	—
Agric. Fund (A)	1,077.2	+9.8	—
Abbey Nat. Fund	228.4	+0.9	—
Abbey Nat. Fd. (A)	227.5	+0.9	—
Investment Fund	137.2	.....	—
Investment Fund (A)	134.4	.....	—
Equity Fund	473.6	−2.8	—
Equity Fund (A)	476.0	−2.8	—
Money Fund	214.3	+0.3	—
Money Fund (A)	210.4	+0.3	—
Actuarial Fund	221.1	+1.9	—
Gilt-edged Fund	184.5	.....	—
Gilt-Edged Fd. (A)	184.5	.....	—
Retire Annuity	252.0	+1.9	—
Immed. Annuity	193.0	.....	—
International Fd.	266.6	+0.8	—
Bldg. Soc. Life Fd.	103.8	+0.7	—

Property Gth Pens & Annuities Ltd

All Weather Ac. Uts.	254.0	267.3	+6.4	—
Inv. Fd. Uts.		294.5	.....	—
Pension Fd. Uts.		250.4	+1.7	—
Conv. Pens. Fd.		288.1	+3.2	—
Cnv. Pns. Cap. Ut.		216.4	+1.7	—
Man. Pens. Fd.		328.8	.....	—
Man. Pens. Cap. Ut.	256.9	—	.....	—
Prop. Pens. Fd.		279.5	+2.5	—
Prop. Pens. Cap. Uts.		212.6	+1.2	—
Bldg. Soc. Pen. Ut.		251.1	+2.5	—
Bldg. Soc. Cap. Ut.		193.8	+1.4	—
Gilts Pens. Fd.		161.1	+0.3	—
Gilts Pens. Fd. Cap.		141.5	+0.2	—
Equity Pens. Fd.		252.4	−1.9	—
Equity Pens. Fd. Cap.		222.8	−1.7	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	107.0	112.9	.....	—
Fixed Interest Acc.	90.0	95.0	.....	—
Intnl. Acc.	82.0	86.5	.....	—
Managed Acc.	91.4	96.4	.....	—
Property Acc.	111.0	117.1	.....	—
Money Acc.	73.4	77.5	.....	—
Special Market Acc.	67.9	71.7	.....	—
Japan Acc.	61.7	65.1	.....	—

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.33	.....	—

Inv. Adv. M & G. Inv. Mngt. Ltd., London.

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Wren Com. Fund	26.5	29.0	.....	—
Chinese Fund	70.0	72.9	.....	—
Precious Metal Fund	122.0	133.2	.....	—
Vanguard Cmdy. Fd.	36.8	39.5	.....	—
Financial Futures Fd.	82.6	85.6	.....	—
Wren Intl. Fnd.*	$0.719	0.747	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

Public Board and Ind.

Financial

Building Societies

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

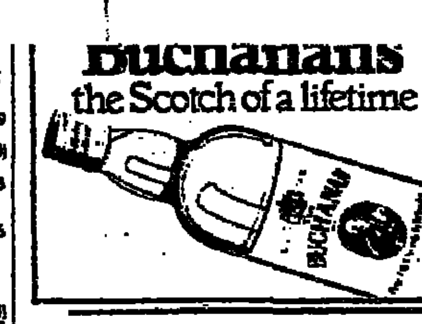
[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]



MINES—continued

Central African

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	220	......	Q70c	4.2	24.9
23	16	Wankie Col. 25$1	23	+1	Q5c	0.7	12.8
28	18	Zam.Cpr.SBD0 24	19	......	—	—	—

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	ACM 20c	17½	......	—	—	—
40	32	Aristate Expln NL	37	−3	—	—	—
25	11	Balmoral Resources	17		—	—	—
60	37	Black Hill Mins	51	+2	—	—	—
70	51	Bond Corp	69	+1½	Q10c	2.3	8.8
183	116	Bougainville 1 Kina	170	−4	Q5.42c	1.2	1.2
360	204	CRA 50c	355		10.5c	—	0.5
145	60	Carr Boyd 20c	96	+3	—	—	—
43	28	Central Pacific	32	−1	—	—	—
9	2½	Cons Gold Mine Areas	4	+¼	—	—	—
17	5	Coopers Res. N.L.	11		—	—	—
245	183	Crusader Oil	245	+15	—	—	—
15	8	Cultus Pac NL	13	+1	—	—	—
19	7	Eagle Corp 10c	19	+2	—	—	—
215	96	Emperor Mines	210	−2	—	—	—
14	8	Endeavour 20c	11½		—	—	—
58	17	Enterprise GM Nom	39	−1	—	—	—
810	500	GM Kalgoorlie 25c	740	−10	Q10c	♦	0.8
24	6	Gt. Eastern Mines	19	+½	—	—	—
*240	170	Hampton Areas 10p	215	−2	3.75	2.1	2.5
32	15½	Hadma NW	20½	+½	—	—	—
92	30	Hill Minerals N.L.	52	−1	—	—	—
41	13	Intnl Mining	25		—	—	—
100	25	Ingenic Minerals	70	+1	—	—	—
42	21	Kalbara Min 20c	24	+1	—	—	—
19	9	Kewnest Expl	19		—	—	—
130	54	Kitchener NL 25c	126	−2	—	—	—
180	78	Meekatharra 25c	80		—	—	—
52	28	Metals Ex 50c	52	+2	—	—	—
52	23	Meramar Min 20c	34		—	—	—
279	217	MIM Hldgs 50c	266	+1	Q5c	♦	1.1
12½	5	Mincorp 20c	11½	−½	—	—	—
8	3	Mineleth Expl 25c	4½	−½	—	—	—
46	23	Newmetal 20c	40		—	—	—
*195	128	North B Hill 50c	193	+3	Q6c	1.3	1.8
82	38	Nth Kalgurli	82	+6	—	—	—
86	58	Oakbridge 50c	76	−3	Q7c	1.7	5.4
55	23	Otter Explo NL	49	+1½	—	—	—
78	46	Pacific Copper	65		—	—	—
150	64	Pancont'l 25c	100	−2	—	—	—
9½	4	Pan Pacific Pet NL	9	+1½	—	—	—
74	35	Paringa Min & Expl 5c	68	−4	—	—	—
476	324	Peko-Wallsend 50c	446	−6	Q5c	♦	0.6
11	4	Pelsart Res NL	6		—	—	—
298	172	Renison 50c	290	−4	Q10c	♦	2.0
270	135	Do Deld	270		—	—	—
83	29	Samantha Explor NL	76½	−1½	—	—	—
52	32	Samson Explor NL	51	+1	—	—	—
74	52	Selltrust 50c	71	−2	—	—	—
52	28	Sons of Gwalia N.L.	52	+1	—	—	—
19	7	Southern Pacific	14		—	—	—
14	6	Southern Ventures 25c	9		—	—	—
50	17	Swan Res 20c	23		—	—	—
58	39	United Goldfields	56		—	—	—

[illegible]

Tins

[illegible]

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
250	185	Sungei Besi SM1	245	......	[illegible]	0.6	‡
55	40	Supreme Corp M$1	55	......	[illegible]	♦	2.0
110	93	Tanjong 15p	95	−10	g3.5	—	5.3
145	60	Tongkah H Tin SM1	135	......	v05c	1.3	1.1
300	190	Tronoh SM1	265	+5	v090c	1.1	9.7

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	90	Admiral Mines	90	−5	—	—	—
90	34	Anglo-Dominion	77	......	—	—	—
93	53	Anglo Utd. Dev.	63	......	—	—	—
135	60	Colby Res Corp.	125	......	—	—	—
525	315	Cons. Murch. 10c	500	−25	Q60c	1.9	‡
165	103	Highwood Res.	180	+5	—	—	—
£24½	£18	Hewdale Mining $1	£24¼	+¼	Q20c	—	0.6
495	330	Northgate C$1	370	+15	—	—	—
672	437	R.T.Z.	668	−7	17.0	1.9	3.7
£147½	£108	[illegible] 95-2000	£142	−2	Q9½%	21.4	6.8
190	13	Sabina Inds C$1	125	−5	—	—	—
		For Southwest Res see Oil & Gas					
670	512	Tara Exptn $1	665	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- § USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- §§ Dealt in under Rule 163(3).
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
			Nat. 9¾% 84/89	£86½	+⅛
			Fin. 13% 97/02	£96¾xd	......
Albany Inv. 20p	63	......	Alliance Gas	40	......
Bdg'wtr. Est. 50p	270	......	Arcott	210	......
Craig & Rose £1	£10½	......	Carroll (P.J.)	110	......
Finlay Pkg. 5p	35	......	Concrete Prods.	72	......

[illegible]

OPTIONS

3-month Call Rates

[illegible]

B.A.T.	[illegible]	[illegible]	[illegible]	Town & City	5
Brown (J.)	4	Mks. & Spncr	20		
Burton Ord.	35	Midland Bank	48	Oils	
Cadburys	11	N.E.I.	10	Brit. Petroleum	40
Courtaulds	10	Nat. West. Bank	55	Burmah Oil	19
Debenhams	14	P & O Dfd.	21	Charterhall	8
Distillers	22	Plessey	18	KCA	7
Dunlop	6	Racal Elect.	45	Premier	6½
Eagle Star	45	R.H.M.	7	Shell	55
F.N.F.C.	6	Rank Org. Ord.	28	Tricentrol	22
Gen. Accident	45	Reed Intnl.	52	Ultramar	68
Gen. Electric	20	Sears	8½		
Glaxo	75	T.I.	16	Mines	
Grand Met.	32	Tesco	16	Charter Cons.	38
G.U.S. "A"	50	Thorn EMI	55	Cons. Gold	60
Guardian	50	Trusthouse	18	Lonrho	10
G.K.N.	18	Turner & Newall	7	Rio T. Zinc	65
Hawker Sidd	32	Unilever	70		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES
Saturday September 3 1983

MAN IN THE NEWS

A harder line in Israel

BY DAVID LENNON

THE MAN the Herut Party chose as its candidate to succeed Mr Menahem Begin as Israel's Prime Minister, is even more hardline than the retiring Premier, but much less colourful and more secretive.

Mr Yitzhak Shamir, Israel's Foreign Minister, is made of the same hard steel as his predecessor, forged by the experiences of anti-semitism in Poland during their youth, and the underground battle against the British mandatory forces in Palestine.

He split from Mr Begin's right wing Irgun organisation to form the even more extreme Lehi, or Stern Gang, as the British called it.

As the operations chief he was active in the anti-British movement in the Middle East during which Lord Moyne, the British Minister for State in the Middle East was murdered in Cairo, in 1944. Arrested by the British twice, Shamir escaped

Yitzhak Shamir

both times, eventually finding asylum in France until Israel was granted independence in 1949, when he returned to the new Jewish state.

Mr Shamir, like Mr Begin, believes with all his soul in the right of the Jewish people to all of "Eretz Israel," the biblical land of Israel which includes the occupied West Bank and the Gaza Strip. If he forms the next coalition he will certainly pursue the annexationist policies of the outgoing government.

Unlike his predecessor, he has little faith in the willingness of any Arab state to make peace with Israel. He opposed the peace agreement which Mr Begin signed with Egypt, on the grounds that Israel had made too many concessions.

In a meeting with British leaders at that time, he explained his position: "In political negotiations, like in war, we must not err. For us the struggle is life and death. We must be careful and this obligates us not to concede too much."

Criticised by the Commission of the Inquiry into the Beirut massacres last year for being indifferent to early reports of a slaughter, Mr Shamir showed no remorse. In a TV interview this week, he commented: "I would say that it is healthier to mention the report of the commission less and less as time goes by."

Married with a son and daughter and grandchildren Mr Shamir, at 68, lives like most political figures, in Tel Aviv.

Despite sporting immense bushy eyebrows that are a gift to political cartoonists, the diminutive Mr Shamir has none of the charisma of the former leaders of Israel, such as Begin, Golda Meir or Ben Gurion.

An Israeli political columnist once described him as a man who "is suspicious, formulates his remarks cautiously and heavily. There is no spark in him and he has virtually no interest in attracting attention." This latter trait is probably a product of his work in between 1955 and 1965 in the Mossad Israel's secret service, as well as his earlier life in the underground.

He has shed some of his public reticence since becoming Foreign Minister in 1980 but only to the extent of developing a politician's ability to speak without saying much. "You surely know that I don't tell about secret meetings," he told a reporter who asked him about a recent meeting with the head of an African state. "You don't even tell about open meetings," quipped the frustrated journalist.

Mr Shamir once said: "I have never fought for any post. I fight for a principle, a way of doing something." But this week he certainly fought for the chance to become Israel's next Prime Minister.

If he succeeds, his "way of doing something" will give little comfort to those who had hoped that with the resignation of Mr Begin, there would be a softening of Israel's military and defence policies.

Shamir wins qualified support

By David Lennon in Tel Aviv

MR YITZHAK SHAMIR, the Israeli Foreign Minister, yesterday won support in principle as the country's next Prime Minister from the present government coalition parties. Their agreement, however, could still be withdrawn.

Mr Shamir said after the meeting of coalition partners that he hoped to be Prime Minister within two or three days. However, a number of parties have put conditions on their endorsement of the 68-year-old candidate to succeed Mr Menahem Begin, who announced last Sunday that he was resigning.

Two, the National Religious Party and Tami, have indicated willingness to hold discussions with the Labour opposition about a possible alternative coalition.

Mr Shamir won the contest for leadership of the Herut Party on Thursday night, defeating Mr David Levy, the Deputy Premier and Housing Minister, by 437 votes to 302 of the party's Central Committee. Mr Shamir was also the first choice of the other coalition members, who felt that Mr Levy, at 45, was too young and inexperienced.

As soon as Mr Begin hands his resignation to President Chaim Herzog, possibly as early as tomorrow, Mr Shamir's next step will be to present his coalition grouping to the President. Mr Herzog would be expected to invite him to try to form the new government.

If Mr Shamir succeeds in holding the coalition together it will probably be even more right-wing than previously. Mr Shamir, a known hawk, opposed Mr Begin's Camp David accord, saying that Israel was conceding too much to Egypt.

Yesterday's discussions with the coalition leaders, which were described as "friendly," resulted in a signed agreement in principle of all the members to serve in a coalition under the leadership of Mr Shamir.

However, Mr Shamir does not have carte blanche, even from the Herut-dominated Likud block. Five members of Likud have said their support for the new government would depend upon Mr Shamir making a determined the crises facing Israel over effort to widen the coalition to include the Labour party.

It is unlikely that the Labour Party would be willing to join such a coalition, having opposed policies on just about every issue.

Boeing wins contest to replace BA's Tridents

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BOEING HAS won a fierce contest with McDonnell Douglas, its rival U.S. aircraft manufacturer, to supply British Airways' immediate replacements for its ageing fleet of 32 Trident jet airliners.

The state-owned airline is to take a short-term lease on 14 more Boeing 737-200 twin-engined airliners, worth more than \$250m (£166m), for delivery in 1984-85, and is taking an option on a further 17. Its fleet contains 28 Boeing 737-200s already.

The decision to choose a short-term lease, which was expected, allows the airline to keep its options open on further aircraft purchases for the later 1980s, including the European Airbus 150-seater A-320.

The 14 aircraft will be bought outright from Boeing by a large group of U.S. and UK banks, led by Chemical Bank, which will lease the aircraft to the airline.

Details of the financial package are still being settled but the airline said yesterday it had been able to obtain "a satisfactory price."

McDonnell Douglas had been offering its MD-82 twin-engined jet airliner. The airline, however, with Boeing 737-200s already in its fleet, decided on an option which will be cheaper in terms of spare parts, crew- and ground-engineering training.

The aircraft will have the same engines, U.S. Pratt & Whitney JT-8Ds, as the existing 737-200s but with improved fuel consumption.

The airline needs the aircraft urgently because its Tridents must be phased out by the end of 1985 when Government noise regulations will make them environmentally unacceptable, especially at Heathrow. The Airbus A-320 will not be available until about 1988-89.

Airbus Industrie's members are British Aerospace with a 20 per cent stake; Deutsche Airbus of West Germany and Aerospatiale of France each with 37.9 per cent; and Casa of Spain, with 4.2 per cent. Fokker of The Netherlands and Belairbus of Belgium are associate partners.

British Aerospace makes wings for the existing 250-seat A-300 and 220-seat A-310. It would also make wings for the A-320. For this reason there has been pressure on British Airways at some stage to buy the A-320. The work would provide substantial employment at British Aerospace.

The airline has always made clear the A-320 could not solve the immediate Trident replacement problem but that if it were developed, especially with Rolls-Royce engines, it would be interested in the aircraft.

Airbus Industrie has thus now been given a clear indication that the airline may yet be a willing buyer of the A-320 if that aircraft fully meets the airline's requirements.

The airline will not buy it just to help get the A-320 launched. Lord King, the British Airways chairman, said recently: "We are not in the business of helping to launch new aeroplanes."

Other long-term alternatives available to British Airways include the eventual purchase of the improved version of the 737, the Series 300 now under development, or even further developments of that aircraft such as the proposed Series 400.

The airline could also buy more of the bigger Boeing 757s. It has several of those on option, in addition to the 11 on order and five already delivered.

Among other long-term choices could be any rivals to the A-320 that might emerge from Boeing—the so-called "7 Dash 7"—and McDonnell Douglas—the MD-3300.

The lease on the 14 737-200s will probably be for three years though it could be extended for much longer.

Brengreen bids £31m for Sunlight

BY RAY MAUGHAN

BRENGREEN, WHICH claims to empty more UK dustbins and sweep more roads for local authorities than any other private company, yesterday twisted the tangle of laundry bids still further by launching a contested equity offer, worth £31m at last night's closing prices, for Sunlight Service Group.

The catalyst for the bid, Brengreen explained, was Government pressure on local authorities and regional health authorities to put such ancillary services as cleaning and laundry out to tender.

Other groups have also seen the opportunities. Pritchard Services, which has cleaning contracts with 38 hospitals, recently launched a bid worth some £15m for Spring Grove, a leading workwear rental group. That approach was capped last week when Sunlight made an equity offer for Spring Grove which is currently worth £21m.

Brengreen and Pritchard are both advised by Morgan Grenfell to make matters more complicated. Spring Grove, 36 per cent owned by Charterhouse Group, is advised by J. Henry Schroder Wagg.

The Office of Fair Trading is studying the impications of the first two merger proposals.

Mr David Evans, the former Aston Villa footballer who heads Brengreen, was confident that his bid would not be referred to the Monopolies Commission. "There is no concentration of laundry interests in this bid," he said.

A combination of Brengreen's expertise in cleaning for local authorities and Sunlight's experience in laundry services would enable the enlarged group to "offer an almost complete range of services," he said.

He felt the broader service spectrum would enable the group to tender more effectively for big hospital contracts in the Middle East.

Brengreen is offering five of its own shares for every two Sunlight shares, up 23p to 215p yesterday, to which it is adding a partial cash alternative at 95p a share in respect of 30 per cent of each accepting shareholder's entitlement.

At the outset the deal was worth £33.4m, or 275p per Sunlight share and a 42.5 per cent increase on Sunlight's share price on Thursday this week. It is also worth 64.7 per cent more than the price prevailing on Thursday August 25, when the two sides met informally to discuss Brengreen's intentions.

Mr Evans came away from that meeting expecting to hear from Sunlight after 10 days. Within the week Sunlight had made an offer for Spring Grove.

Sunlight, advised by Kleinwort Benson, said yesterday that the Brengreen offer significantly undervalues the group and will be strongly resisted.

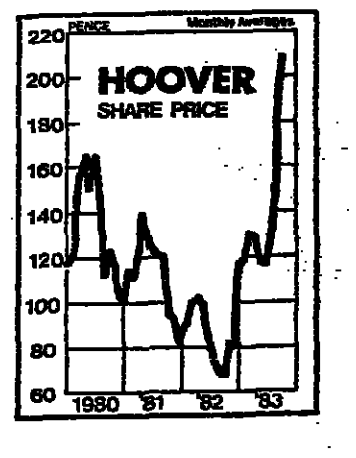
LAUNDRY COMPANY TAKEOVER BIDS

Bidder	Target	Date launched	Bid value	Result
Spring Grove	St George's	June '82	£7.6m	Completed
Sunlight	Johnson Group	July '82	£30m	Blocked by MMC
Initial	Johnson Group	July '82	N/A	Blocked by MMC
Pritchard	Spring Grove	Aug '83	£15m	Undecided
Sunlight	Spring Grove	Aug '83	£21m	Undecided
Brengreen	Sunlight	Sept '83	£31m	Undecided

THE LEX COLUMN

Hoover tidies up fits paper

Index fell 2.8 to 705.8



As the subsidiary of a U.S. company with a domestic minority, Hoover UK has appeared an anomaly for years. But hopes that the parent would bid for the outstanding stake have been disappointed with such regularity that most investors have given up waiting. The announcement of preliminary talks suggest a fundamental change of heart at the Ohio headquarters, and in the UK market at least—where Hoover shot up 50p to 210p yesterday—it was assumed that the deal had been as good as consumated.

In the last two years the traditional arms length relationship between Hoover UK and its parent has been abandoned. And it was under direction from head office that the company introduced last year's sharp production cutbacks. There are few signs of competition worldwide easing, and now Ohio seems keen to pursue integration aimed at using the potential muscle of its international scale to the full. So on top of the benefits of more flexible use of Hoover UK's cash flow, the parent is looking for faster decision-making and unified R and D and capital expenditure programmes.

Hoover UK's second quarter results suggested that the company had, at last, turned the corner into sustained profits, so from the parent's point of view the timing looks somewhat less than immaculate. Yet the opening of talks has probably been determined by the healthier look to the parent operation. Net income for the consolidated group is set to rise from 32c a share in 1982 to about \$2 this year. The cash inflow amounts to \$32m this year, and there are now no borrowings in the U.S. So whereas a paper offer would be unlikely to appeal to the 43 per cent minority, the parent should have no difficulty in finding the £22m or so in cash necessary to buy out the minority at the net asset valuation in the books of about 260p a share.

United Newspapers

Chasing a self-imposed target of a £100m market capitalisation for his group this year, the fast-moving chairman of United Newspapers has sprung on his shareholders a rights issue heavy enough — at two for three — to get him most of the way at a single bound.

Although the shareholders are to be asked to come up with £30m, they are at least being told what their money is buying. Gralla Publications, which will cost United a minimum of \$44m, is a privately owned U.S. publisher of controlled-circulation trade magazines. It has a record of rapid growth, albeit marred by a setback in 1982.

The bid has been set at a level probably modest enough to leave United's earnings per share undiluted, while the company's previous large U.S. purchase—PR Newswire—has set an encouraging precedent by delivering about a fifth of first half profits in 1983. If the recipe succeeds this time round, United will be earning around 40 per cent of next year's profits in the U.S.

Following this rights issue, United's ordinary capital will have grown five-fold since 1980. Despite the management's well-known expansion strategy, with which this deal makes a snug enough fit, the market's reaction—dropping the shares 24p to 246p — showed that it might be tiring of the paperchase.

Dragon/Mettoy

The moment of truth is arriving for many of the small home and micro computer outfits in the UK. Hot on the heels of Grundy and Iotech Dragon has run into financial difficulties. The price war in the U.S. seems to be crossing the Atlantic. A partial cause has been the entrance of mainstream retailers like Boots and Dixons into the market, whose impact has been to boost volumes and squeeze the manufacturers' margins. Such conditions leave little room for manoeuvre for new and rapidly growing concerns; when Dragon was caught off-balance by the price-cutting initiatives of Commodore and Sinclair, combined with the summer sales slowdown, it found its borrowing requirements rising rapidly beyond its facilities.

Mettoy's shock announcement of the difficulties spurred the other shareholders into negotiating a rescue package—although the exact details have still to be agreed. Mettoy, with 15½ per cent of Dragon, is one of the few routes for investors into the home computer market, and it was mainly on the strength of the stake that it was able to raise £3.1m by way of rights in February. But Mettoy remains highly geared, and the Dragon rescue package will probably result in further dilution of its stake. With exposure to home computers suddenly looking less attractive than before, Mettoy's share price closed 9p down yesterday at 8p.

Laundries again

A tangled mass of laundry takeovers has been churning around the Office of Fair Trading's machine for most of this week. On Wednesday Sunlight Service capped a previously agreed offer—from Pritchard—for Spring Grove. Yesterday, Brengreen doubtless added to the bundle by making a bid for Sunlight.

The trigger for this spate of merger activity seems to have been the impending attempt by the Government to accelerate the privatisation of public sector cleaning services—including the potentially very profitable ancillary services — *laundries*, linen hire and domestic cleaning—in the Health Service.

Although Pritchard is the leader in this hospital market, Sunlight and now Brengreen want a share of the action. For Brengreen, whose expertise is biased towards office cleaning, additional laundry and linen hire capacity is a strategic motive for mounting a takeover.

Sunlight's own most recent bid can be seen as in part a defence against a bid it knew to be imminent. Brengreen's paper offer may nevertheless prove hard to repel, valuing Sunlight at £31m against its market capitalisation on Thursday of £23m. Yet Brengreen's high rating runs the risk of being deflated by a deal which would bloat its share capital by almost 80 per cent.

Continued from Page 1

Dragon Data

Mettoy's move into the microcomputer market, is to step down. He will be replaced temporarily by Mr Derek Morgan, a senior executive provided by General Electric Company, the heavy electrical engineering group.

Mettoy's shares plunged 15p to 2p at one stage yesterday, wiping £4.6m off the company's value. They recovered to 8p.

Late yesterday the computer company said sales of its Dragon 32 computer had fallen below expectations in the summer months, when it was gearing up production for Christmas. This meant it had had difficulty meeting short-term cash requirements.

A price-cutting war among microcomputer-makers forced Dragon to lower the price of its machines from £199 to £175, which reduced its sales income.

Dragon also ran into unspecified production difficulties at its factory at Kenfig, near Bridgend, South Wales, though these did not significantly affect its profitability.

The problems at Dragon have arisen rapidly since Mettoy, as recently as May, described its associate's performance as "most encouraging" and business growth as rapid. This coincided with the announcement of an increased loss of £3.8m at Mettoy in 1982 on slightly reduced turnover of £25m.

Mr Ron Artus, chairman of Prutec, part of Prudential Assurance group, said: "The main shareholders in Dragon have agreed to provide a package—in the form of either loans or guarantees for loans of up to £2.5m—which will give the banks comfort to cover such a sum."

Mettoy began volume production of the Dragon computer in mid-1982 but towards the end of the year its financial difficulties forced it to bring in other shareholders to fund further expansion.

In a controversial move, seen by many observers as Mettoy disposing of the goose which had lain the golden eggs, the toy group reduced its holding in Dragon to 18.6 per cent and later to only 15.5 per cent.

Prutec now holds a 42 per cent stake, the Welsh Development Agency has 23 per cent and 19.5 per cent is held by the National Water Council, Fountain Development Capital Fund, managed by Hill Samuel, F & C Enterprise Trust and Dragon executives.

Mettoy has options to increase its holding to 35 per cent but its cash difficulties must now raise the question of whether it will take them up.

Continued from Page 1

Langoni

Netto took over in 1979, to the Planning Minister as well.

In practice, Sr Langoni conducted most of the negotiations in the U.S. with the government authorities, the IMF, and the major New York banks, which over the past year have played a key role in saving Brazil from default on its \$90bn external debt. The 39-year-old Brazilian is said to have built up a good working relationship with Mr Paul Volcker, chairman of the U.S. Federal Reserve Board.

Sr Antonio Chagas Meirelles, another regular figure in the Brazilian negotiations abroad in the past year, has also resigned from the Central bank.

Sr Langoni said he was resigning out of a sense of responsibility to his post. Out of loyalty to the Figueiredo government he felt it was necessary to state facts as they were.

"Fundamental differences" had arisen over some of the targets agreed with the IMF. These were such that when the final terms of the new Letter of Intent had arrived in Brasilia from Washington on Wednesday "there was nothing more to talk about."

Last June, Sr Langoni made an unusually strong attack on the Government's economic policy, describing it as "socially peverse and economically inefficient."

British Rail team

Continued from Page 1

addition to British Airways.

Mr Tom King, Transport Secretary, said yesterday that the interruption of the general election had caused "some delay" in announcing the appointments.

Mr Reid had always been a strong contender, but it had been necesary "to measure him against other candidates."

About 15 serious candidates were listed for the job, partly as a result of a search by consultants Korn Ferry but not all were available.

Mr Reid, on holiday in the Italian Alps, was told of his appointment in a telephone call from Mr King on Thursday night.

Mr Reid will have strategic management responsibility at a time when British Rail faces a difficult period. He will need to achieve substantial cost savings and a slimming down of the workforce to fund investment needs from within while staying within the subsidy and cash limits set by the Government.

The appointment of Sir Richard as deputy chairman would bring the necessary experience from the private sector, providing the "right balance," said Mr King.

One of Sir Richard's priorities will be to review British Rail's financial reporting systems and it is expected that he will be charged with furthering privatisation of parts of the railways.

Weather

UK TODAY

SHOWERS with bright intervals, becoming drier in south west.

London, SE, SW, Central England, E Anglia, Midlands, Wales

Showers, prolonged at times, becoming brighter. Max 18C (64F).

N, NE England, Borders, Edinburgh, Dundee, Central Highlands

Showers, bright at times. Max 17C (63F).

NW England, SW, NW, N Scotland, Aberdeen, N Ireland

Showers, longer outbreaks of rain. Max 15C (59F).

Outlook: Unsettled, windy at times.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	27	81	Luxmbg.	F	19	66
Algiers	S	29	84	Madeira		—	—
Amsdm.	S	21	70	Madrid		—	—
Athens	S	28	82	Majorca		—	—
Bahrain		—	—	Malaga	S	28	82
Barclna.		—	—	Malta	F	28	82
Beirut		—	—	M'chstr.	C	16	61
Belfast	C	17	63	Melbne.		—	—
Belgrd.	S	28	82	Mx. C.		—	—
Berlin	F	24	75	Miami†	F	25	77
Biarritz	S	24	75	Milan	F	25	77
Bmghm.	F	20	68	Montrl.†	C	19	66
Blackpl.	F	19	66	Moscow	S	17	63
Bombay		—	—	Munich	F	19	66
Bordx.	C	23	73	Nairobi		—	—
Boulgn.	S	19	66	Naples	T	19	66
Bristol	C	19	66	Nassau		—	—
Brussels	S	20	68	Nwcstl	R	14	57
Budpst.	S	27	81	N. Delhi		—	—
Cairo		—	—	N. York†	S	21	70
Cardiff	F	18	64	Nice	F	26	79
Cape T.		—	—	Nicosia	F	29	84
Chicg.†	C	15	59	Oporto	R	18	64
Cologne	C	20	68	Oslo	R	17	63
Conhgn.	F	21	70	Paris	F	19	66
Corfu	S	29	84	Peking		—	—
Dallas	F	21	70	Perth		—	—
Dublin	C	16	61	Prague	R	21	70
Dbrvnk.	S	27	81	Reykjvk.	S	8	46
Ednbgh.	C	14	57	Rhodes	S	27	81
Faro	S	25	77	Rio J'o		—	—
Florence	R	24	75	Rome	F	26	79
Frankft.	F	22	72	Salzbrg.	R	18	61
Geneva	S	21	70	S F'cisc†	S	14	57
Gibraltar	S	27	81	Singapr.		—	—
Glasgow	C	14	57	S'tiago		—	—
G'rnsey	C	18	64	Stckhm.	S	26	79
Helsinki	S	19	66	Strasbg.	F	23	73
H. Kong		—	—	Sydney		—	—
Innsbrk.	C	17	63	Tangier	S	24	75
Invrnss.	R	14	57	Tel Aviv	S	31	88
I.o.Man	F	17	63	Tenerife	C	23	73
Istanbul	F	25	77	Tokyo		—	—
Jersey	C	17	63	T'ronto†	S	15	59
Jo'burg		—	—	Tunis	C	29	84
L. Pims.		—	—	Valencia		—	—
Lisbon	F	24	75	Venice	T	20	68
Locarno		—	—	Vienna	F	27	81
London	R	16	61	Warsaw	S	22	72
L. Ang.†	S	20	68	Zurich	S	20	68

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunder.